

Automotive News

June 10, 1991

©Entire contents copyright 1991, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

66th year—\$70.00 per year, \$2.00 per copy



Chrysler's Francois Castaing, left, and Robert Lutz, right, check out the liftgate of the 1993 Grand Cherokee. Senior managers hold quarterly reviews of product development and test-drive prototype and pilot vehicles.

Teams are tops now at Chrysler

Grand Cherokee ripens as first fruit of platform approach

In recent years, automakers have developed new products and delegated authority in new ways. Last week, we reported on General Motors H-cars; next week, we look at Ford's Econoline and Honda's Accord station wagon.

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

In February 1990, the team developing the 1993 Jeep four-door sport-utility met at Chrysler Corp.'s proving ground in Chelsea, Mich.

People like Bernard Robertson, general manager of Jeep-truck engineering, were driving prototypes of the new Jeep Grand Cherokee, code-named ZJ, around the track surrounded by Michigan farmland. They were comparing the dully painted prototype to its predecessor, Jeep Cherokee, and to competing sport-utilities.

During a point-by-point evaluation, several members of the group started talking about the



How POWER works at:
GM
CHRYSLER
FORD
HONDA

rear seat. Soon, a consensus developed that it needed improvement.

So the team set to work. They tried reshaping the seat, bringing the cushion closer to the side of the vehicle. They worked until they were satisfied that a bigger, reshaped rear seat enhanced the vehicle.

The larger seat carried an extra cost, but the team kept within the overall budget by

making small cuts elsewhere.

"The whole team agreed that was something we wanted to do, and we just agreed to do it and executed it," said Robertson.

That, he added, is the way Chrysler operates today under its new platform team organization.

"In the old days — not so very long ago — something like that seat would have gone to several product decision meetings; (former Chrysler Motors President) Harold Sperlich would have looked at it; it all would have been done in a studio on a clay model that you couldn't sit in and couldn't drive," Robertson said. "In the end, we'd have gotten whatever we got. Today, we are empowered enough to actually do something to the product early enough so that the customer benefits."

Notes spokesman Tom Kowaleski: "This really reflects where the decision-making ability rests today. Bernard Robertson and

see CHRYSLER, page 10

Dealers cut back: 1991 model output tumbles 1.1 million

By Liz Pinto
AUTOMOTIVE NEWS STAFF REPORTER

The Big 3 and their dealers have written off the 1991 model year and are hunkered down for a long, hot summer, hoping for recovery when the 1992 model year begins this fall.

Dealers say they are ordering only select, proven good-selling models, and factories are obliging them by not foisting unwanted, slow-selling product on the dealers. Some manufacturers have altered buildout policies to allow dealers to maintain lean, fast-moving inventories.

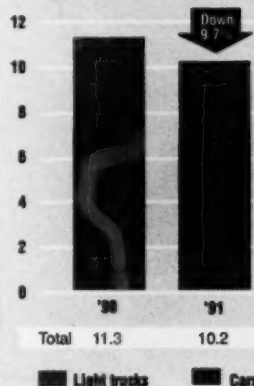
That could mean a fast start for 1992 models if the economy and consumer confidence oblige.

Chrysler Corp. has dropped some buildout stipulations. It no longer requires dealers to order slow-moving vehicles when they order

see BUILDOUT, page 43

1991 model year production

Cars and light trucks built in Canada and United States, in millions of units.



Source: Automotive News Data Center

AUTOMOTIVE NEWS / CHARLOTTE WINTER

Mercedes, Mitsubishi discuss plan for sharing new sport-utility

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

SINDELFINGEN, Germany — Mercedes-Benz AG and Mitsubishi Motors Corp. are discussing a plan to jointly develop and produce a new sport-utility that would replace Mercedes' four-wheel-drive Gelandewagen, officials of the German automaker confirmed at the

Mercedes bolsters veto power, Page 3

company's annual financial meeting here last week.

According to a company source, meanwhile, the automaker has selected next January's Detroit auto show for the world launch of its new S-class coupe. The decision to

unveil the coupe in Detroit — in either a V-8 500SEC or V-12 600SEC version — was reached at a senior management confab in early June, the source said.

The Mitsubishi talks were confirmed by Mercedes Chairman Werner Niefer, who offered no details. "There is no conclusion," said Niefer. "All possibilities are open, nothing is settled."

According to a Mercedes official, each company would badge a version of the 4wd vehicle for itself

see MERCEDES, page 41

Big 3's van-dumping complaint shows fear, frustration

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Big 3 say they may delay or cut investment in minivan programs unless the government keeps Japanese companies from dumping minivans in the United States.

They also say the job-security provisions of last fall's UAW contract are in jeopardy in subsequent

contracts if dumping isn't stopped.

General Motors, Ford Motor Co. and Chrysler Corp. say they fear that Japanese minivans will duplicate the pattern of other automotive segments such as luxury cars: One or two companies lead the way and others follow in short order.

The allegations come from the domestic makers' petitions to U.S. Commerce Secretary Robert A.

Mosbacher and U.S. International Trade Commission Secretary Kenneth R. Mason, asking for relief from what the Big 3 allege is unfair pricing by Mazda and Toyota. Nissan and Mitsubishi also were named because they sold a small number of minivans in the United States during the three-year period discussed in the complaint. The petition was filed May 31.

Crucial to the domestics' case is their allegation that wholesale prices for minivans sold in the United States are substantially below comparable prices in Japan.

The petition reveals the fears and frustrations of a domestic industry that has been losing market share to the Japanese for a decade:

• The dumping is one cause of a

see DUMPING, page 45

Corvette lovers trek to Kentucky:

Ten years after it opened, the Corvette plant in Bowling Green, Ky., is an automotive mecca for sports car fans. Story on Page 3.



Cautious optimism

Big 3 presidents assess the prospects for recovery from the recession, pending legislation and foreign competition in Automotive News Insight, which follows Page 24.

26J*****5-DIGIT 20814
#030322908 2#01AN12351 99HEA
ACQ EDITOR
ACQ EDITOR
CONGRESSIONAL INFO SERV
4520 EAST-WEST HWY STEB
MD 20814

Watchdogs say Ford fixing cars in Canada under secret warranty

Company considers fuel pump repairs to be goodwill

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. calls it goodwill assistance, but consumer watchdog agencies in the United States and Canada say it amounts to secret warranties.

At issue is what the Automobile Protection Association in Canada says amounts to excessive fuel pump failure on the 315,000 1988 to 1990 Ford Tempo and Mercury Topaz models sold in Canada. The failure causes the vehicles to stall during warm weather.

George Iny, president of the consumer watchdog agency, estimates that at least 20 percent of the vehicles have been affected after the warranty expires, yet Ford has failed to notify owners and has paid for out-of-warranty repairs inconsistently.

"It appears that consumers who complain loud and clear have a decent chance of getting secret warranty coverage," Iny said.

Ford has paid for all or some of the repair costs in 35 percent of the fuel pump cases reviewed by Iny's organization under a goodwill assistance plan that has been in existence since 1983, said Ford of Canada spokesman John Jelinek. Dealers have goodwill forms that they submit to the factory at their discretion.

Jelinek said goodwill kicks in when a warranty expires and is granted based on how well a dealer presents the customer's argument. Jelinek said Ford is aware of the fuel pump problems, but denied Iny's allegations. "We wouldn't risk the goodwill of our customers by running secret warranties."

Jelinek said there hasn't been a

similar problem with the 978,000 1988 to 1990 Tempos and Topazes that were sold in the United States. Doug Nelson, an investigator with the Center for Auto Safety in Washington, says he isn't so sure.

"Tempos, Topazes have always had trouble with chronic stalling," Nelson said. "The fuel pump could be the problem."

Nelson said the cases may not have been reported because generally when cars stall and motorists get them started again, they tend not to think it's a serious problem.

Nelson said he received a few complaints from consumers regarding fuel pump failure on 1986 and 1987 Tempos and Topazes. "A few were multiple failures," Nelson said. "I am going to have to look into this more."

Nelson said several million cars, at any one time, may be covered by what manufacturers call goodwill assistance. "We call them secret warranties," Nelson said. "We see it more as unequal treatment."

Iny demanded that Ford treat all customers equally in a May 31 letter sent to Ford of Canada President James O'Connor.

Ford called attention to the problem on 1988 to 1990 models in an April 1990 service bulletin issued to its Canadian dealers.

An earlier bulletin was issued regarding 1986 and 1987 Ford Tempo, Taurus and Escort and Mercury Topaz and Lynx models.

The bulletins noted that the vehicles tended to stall during the transition period between winter and spring, and on hot days.

Jelinek said it appears to be a fuel problem rather than a fuel pump failure because the replacement of the pump did not solve the problem in some instances. He explained that Canadians use a more volatile fuel during the winter months, and that fuel could be the

see FORD, page 46



Ford's new Sierra

Ford of Europe is finishing development of the next generation Sierra, a car that is expected to bow at the Geneva auto show in 1993. Wagon, coupe, hatchback and sedan (pictured here) versions are planned. Power will come from a variety of four- and six-cylinder engines. The current generation Sierra will be nearly 10 years old when the new model is introduced.

HIDDEN IMAGE: HANS G. LEHMANN

Toyota plant to have the amenities

Air conditioning, lounges, shorter lines should help boost output

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Air conditioning. Soothing background music. Comfortable staff lounges for hourly breaks. Spa-like bath and shower rooms. Flowers. Quiet.

No, not a law office.

Toyota Motor Corp. is building these amenities and more into a \$1.1 billion, greenfield factory in western Japan that will turn out 200,000 cars a year while maintaining the gentle illusion that hammering steel into automobiles is about as difficult and dirty as shuffling paper.

More than \$7 million of the investment will be spent on such quality-of-life features as shower and bath facilities, according to Toyota officials.

"We want to create a completely new type of plant, entirely different from the blunt, drab effect of plants now," says director Tadaaki Jagawa, who oversees engineering of the new factory in Fukuoka Prefecture, about 700 miles southwest of Tokyo on the island of Kyushu.

Toyota's motives for its largesse are simple: to boost output in the face of Japan's declining, increasingly choosy labor force.

Like all manufacturers in Japan, Toyota is finding it increasingly difficult to attract new line workers and to hold on to older ones. The automaker, Japan's biggest, says it is coping with annual turnover of 10 percent a year on its production lines, or between 4,000 and 5,000 workers a year.

"The rate is almost double what it was five or six years ago, especially among younger people," Jagawa says. "You can increase productivity by 5 percent if workers are more experienced," he said.

But Jagawa thinks of Fukuoka as more than just a solution to the labor shortage. From a production engineering point of view, Jagawa said, "Fukuoka will be the model plant for Toyota," designed to appeal to workers but also to assure higher quality and efficiency.

The new plant, which will produce a Cressida-level model starting in 1993, will use 2,000 workers,

in both blue and white collar jobs, a savings of 500 jobs over a typical Toyota plant, Jagawa said.

The resulting gain in productivity means that each Fukuoka worker, on average, will be turning out 100 cars a year, a rate of output that compares with 79 to 93 cars a year at other Toyota plants in Japan.

To be sure, the planned-for efficiency gains will not be realized through happier workers alone. Because the plant is being built in an uncrowded rural area and will be able to spread out, Toyota will be able to design in more efficient manufacturing processes than it can in its congested Toyota City complex in central Japan.

To replicate what it is planning in Fukuoka, Jagawa says, Toyota would have to combine two of its older plants into one complex to get enough space to work with.

To begin with, the dies at Fukuoka will be about double the size of the machines used at the company's Toyota City plants, re-

see TOYOTA, page 46

INDEX

Auction dates	33	Letters	14
Classifieds	34-39	Obituaries	34
Coming events	39	Opinion	12
Dealing with dealers	28	Personnel	26
Incentive watch	46	Production	47
Insight	follows page 24	Recreation on wheels	20
Keith Crain	12	Sales, domestic cars	42-43
Late news	8	Sales, imported cars	44
Legals	24	Sales, truck	43

66th year—No. 5397

Advertising Production Department (313) 446-6063
Circulation Department
In Michigan (313) 446-0480
Outside Michigan (1-800-992-9970)
Classified Ad Department (313) 446-6065
Display Ad Department (313) 446-6039
Editorial & Business Offices (313) 446-6001

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207-3187. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207-3195.

Corrections

- A story in the June 3 issue incorrectly stated that Buick was not among the top 10 nameplates in J.D. Power and Associates' 1991 Initial Quality Survey. Buick tied for 10th place, with Mazda and Oldsmobile. (Survey results are on Page 8.)
- A bill in the California legislature would allow a buyer to cancel a new-car purchase within 24 hours if the buyer leaves the car with the dealer and pays a cancellation fee. A June 3 story incorrectly said buyers would have to leave their vehicles before a deal is final.

Saturn duplicates factory in the office

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — Now that its \$1.9-billion car factory is up and running, Saturn Corp. is building another version of the plant inside its Spring Hill, Tenn., complex.

The carmaker is constructing a 20,000-square-foot mock-up within its Northfield administration building, where engineers will study new tooling options and proposed process changes for the actual plant nearby.

The facility will contain a mock assembly line that includes Saturn line tooling, the "three-rail" overhead chassis carriers common in assembly plants, as well as a line of 10 of Saturn's unique "skillets," the individual platforms that raise and lower Saturn vehicles to adjust to Saturn workers' needs.

The line will move at Saturn's

actual factory line speed — about 50 cars an hour eventually — to ensure its realism, said Larry Mahoney, director of industrial engineering for General Motors' Chevrolet-Pontiac-Canada Group.

The "other" Saturn factory will also include a simulated engine assembly line, transmission assembly, chassis construction and final car assembly.

"If someone thinks of a way to perform a job better than we're already doing it, he can come in here and try it out without disrupting production," Mahoney said. "This will be where we work out new ideas and learn how to implement them."

Among its first questions will be whether the assembly line should somehow tilt or flip the space frames on which Saturns are built as they move through the plant. Saturns are built as aluminum

space frames, with plastic and steel panels hung on. Mahoney indicated that certain jobs could be better performed if the frames were positioned differently.

Mahoney said he is on loan to Saturn from C-P-C to build the Workplace Development Center, and that similar centers may be developed at other GM plants.

The Saturn center, scheduled to be completed in August, will double as a training center for the 5,000-member Saturn work force.

Two of GM's in-house component makers, Paccard Electric Division and AC Rochester, have long operated factory mock-ups to develop component-assembly ideas. But Mahoney said the Saturn center is the only such facility for total car assembly.

He declined to reveal the cost of the center, but said it is "considerable."

May sales offer glimmer of hope to automakers

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

Automakers sold more vehicles in May than in any other month this year — but sales still were 11.7 percent below the 1990 figure.

May's total of 1,156,954 cars and light trucks topped April by more than 100,000 units, and it was more than 300,000 better than January's disastrous tally.

Nevertheless, the 11.7 percent decline was measured against a poor performance a year ago.

Car sales and truck sales declined about equally. Cars dropped 11.8 percent, to 769,500. Trucks were down 11.5 percent, to 387,454, as usual comprising about one-third of the industry total.

May was "no blockbuster," said Tom Webb, chief economist for the National Automobile Dealers Association. But he noted that the annual selling rate improved from 11.6 million units in April to 12.3 million in May. And that, said Webb, could signal "the beginning of a long-awaited, if gradual recovery for retail auto sales."

The sales figures were released amid some hopeful signs in the economy at large, in housing sales and housing starts for instance. But economic news was mixed and consumer confidence remained flat — slightly below April, in fact, and still well below pre-Gulf war numbers.

Japan-based manufacturers con-

TOP 10 SELLERS, MAY 1991

	Sales
1. Honda Accord.....	39,654
2. Chevrolet C/K pickups.....	38,176
3. Ford F-series pickups.....	36,695
4. Ford Taurus.....	27,959
5. Toyota Camry.....	26,402
6. Chevrolet Cavalier.....	25,960
7. Chev. Corsica/Beretta.....	25,693
8. Honda Civic.....	24,166
9. Ford Explorer.....	22,508
10. Chevrolet Lumina.....	22,505

Source: Automotive News Data Center

tinued to gain market share by outperforming the industry as a whole. Their car-truck sales were off 5.7 percent for May and were

down 8.8 percent for five months. Overall U.S. sales were down 15.9 percent for the five-month span.

Honda, Nissan and Toyota all reported single-digit declines for the month.

As a group, Japanese brands picked up 1.6 points of market share in May, grabbing 25.9 percent compared to 24.3 percent last year. Through May, their share rose 2.0 points to 25.3 percent.

Subaru continued to outrun most of the industry, with May sales up 7.9 percent to 7,690. But in May 1990, Subaru was down 30 percent from 1989.

The Big 3 were down more than the industry average in May, falling 12.6 percent. For five months,

Big 3 sales were off 17.8 percent.

Chrysler Corp. sales plunged 15.5 percent in May. As they often do, Chrysler's light trucks and minivans outsold its cars. Sales for the Chrysler make were off 40 percent for the month.

Both American Honda Motor Co. Inc. (Honda-Acura) and Toyota Motor Sales U.S.A. Inc. (Toyota-Lexus) sold more cars than Chrysler Corp. in May. American Honda also leads Chrysler for the calendar year.

Ford Motor Co. sales were down 12.8 percent in May, despite a 14.6 percent increase by Mercury. General Motors was off 11.9 percent, but Buick sales rose 8.1 percent. **see SALES, page 42**



Nissan's new Vanette Serena will compete against Ford and Chrysler minivans in Europe.

Nissan unveils minivan for Japan, Europe

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Nissan Motor Co. last week introduced a mid-engined eight-seat minivan that will be sold only in Japan and Europe.

The vehicle, named the Vanette Serena, was developed independently of the 3.0-liter V-6 Nissan Quest/Mercury Villager that Nissan will co-produce with Ford Motor Co. for the U.S. market. The front-wheel-drive Quest/Villager, which is virtually identical in size to Chrysler Corp.'s standard-sized minivan, will be built by Ford at Avon Lake, Ohio.

Smaller than the Quest and its targeted competition, the Toyota

Estima/Previa, Serena's front axle is positioned 34 inches ahead of the engine to permit an extended wheelbase of 109.4 inches.

Nissan engineers say the unconventional layout provides handling that is on a par with a passenger car and flexible arrangement of the rear seats. The minivan is offered in a four- and five-door version.

The rear-wheel-drive Serena is available with three versions of a four-cylinder, 16-valve twin-cam gasoline engine, in 1.6- and 2-liter versions, and two diesel engines, including a turbocharged unit. Four-wheel drive and four-wheel steering are optional.

Nissan said it hopes to sell 4,500

units a month in Japan at prices ranging from 1.14 million yen (about \$8,150) for a commercial version to 2.8 million yen (\$20,000) for a top-line passenger model.

Although the new vehicle will not reach U.S. shores, it will compete head on with Ford and Chrysler in the key European market, where both U.S. automakers have hopes of cashing in on the fast-growing minivan segment.

Serena will be produced for the European market at Nissan Motor Iberica SA in Spain, starting in the summer of 1992, Nissan said. The automaker said it expects European sales to hit about 3,000 units a month shortly after launch.

Mercedes tightens control over sale of dealerships

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — In an effort to control the "haphazard" erosion of its dealership presence, Mercedes-Benz of North America Inc. will play a much more active role in monitoring the sale of Mercedes dealerships.

The company is giving itself more power to veto the sale of any of its 408 U.S. outlets. And it wants more say-so in reviewing potential buyers who want a franchise.

Mercedes may even buy stores in key markets.

The company is particularly keen to keep real estate developers from buying dealerships and using the properties for other purposes, said Michael Jackson, senior vice president of marketing and sales.

The plan, called the "Network Investment Program," serves as an acknowledgement that the dealer network needs shoring up.

Ralph Gaden, chairman of the Mercedes dealer council, said the council encouraged the company to come up with a program that would keep dealerships open and ensure that only high-quality dealers can acquire the franchise. Gaden owns Autohaus Inc. in Dallas.

He said it is in the dealers' best interest to raise the standards of the dealer network, because a

dealer that "doesn't quite fit the image" reflects badly on the others and could affect the value of the franchise.

"I would much rather have a good strong competitor than a weak one, or what we call in the trade a 'schlock operator.' Not that we have many, because we don't. But if there's a good, solid qualified operator in my market, we both sell more cars and make more money," he said.

Mercedes has already set aside money to buy dealerships and expects to buy two or three a year.

"The alternative of letting events unfold haphazardly is something we can no longer afford," Jackson said. The Network Improvement Program is expected to be in place by the end of the year.

The changes come as Mercedes sales have fallen 22.9 percent so far this year, along with other luxury brands that have been hit hard by the recession and luxury tax.

In such tough times, dealers might be more inclined to sell to a real estate developer or simply quit and relinquish the franchise, and Mercedes wants to be prepared.

From a longer-term perspective, Mercedes feels its dealer network is spread thin geographically. That makes it important to keep open certain small dealerships in out-of- **see DEALERSHIPS, page 41**

Chrysler bond rating lowered again

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Citing the "rapid depletion" of Chrysler Corp.'s cash reserves, Standard & Poor's Corp. has downgraded the rating on \$21 billion worth of Chrysler debt for the second time this year.

Standard & Poor's warned that further downgrades could occur unless the automotive market revives or Chrysler raises cash through asset sales.

In February, Standard & Poor's downgraded Chrysler's long-term debt to speculative, or junk bond, status, which restricts Chrysler's access to credit markets and raises borrowing costs.

Standard & Poor's last week said it had further lowered the senior debt ratings of Chrysler and its financial subsidiary, Chrysler Financial Corp., to BB- from BB+ ratings. The action moves Chrysler's rating deeper into the speculative grade.

Similarly lowered was the rating on the Auburn Hills Trust, a trust formed to sell bonds to finance the \$1 billion Chrysler Technology Center under construction in Auburn Hills, Mich.

Standard & Poor's placed the ratings of Chrysler Financial Corp. and Chrysler Credit Canada Ltd. on its CreditWatch list "with developing implications." That means ratings could be raised or

lowered. The ratings of Chrysler Corp. and Auburn Hills Trust were placed on CreditWatch "with negative implications."

"Persisting weak cash flow from operations heightens uncertainty about Chrysler's ability to continue funding critical new product development programs," said Standard & Poor's. "Moreover, CFC faces debt maturities over the next 18 months that could necessitate substantial asset sales."

Chrysler's cash dipped from \$3.36 billion at the end of 1990 to \$2.55 billion at the end of the first quarter of 1991.

The company could raise an estimated \$500 million from the sale of assets now on the block.

Chrysler termed the rating "extremely disappointing" and said the timing was surprising.

"The overall economy appears to be on the rebound, and Chrysler's car and truck sales are finally beginning to show some signs of improvement," the company said.

"We remain confident that we have the financial resources necessary to continue to support our aggressive new product programs," Chrysler said, adding that the company believes "the worst is behind us and that brighter days are ahead."

SPORTS CAR MECCA

Thousands trek to Kentucky each year to pay homage at Corvette birthplace

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

BOWLING GREEN, Ky. — Religious pilgrims have their rocks and shrines. American car buffs have the Corvette factory here.

Despite its seemingly abandoned ambience outside, the weedy parking lot, its rusty and battered fences and a human-less reception room where visitors have to figure out for themselves how to get into the inner sanctum, the Corvette factory is an automotive mecca.

Every year, some 50,000 Corvette lovers, sports-car clubs and sweaty tourists off the adjacent interstate make pilgrimages to the out-of-the-way factory, 70 miles north of Nashville, Tenn. The badges of Corvette clubs from Hawaii to Switzerland — there are some 635 around the world — adorn one

plant wall. The factory is the seventh most visited tourist site in Kentucky, ranking behind such national treasures as Churchill Downs and Abraham Lincoln's birthplace.

It is, after all, the Corvette — 38 years old and "the only true American sports car," its disciples claim.

The Corvette is nothing if not an image-builder for General Motors. With its ZR-1 version carrying a base price of \$64,138, the Corvette remains the most expensive mass-produced car in America. Its 375-hp V-8 is topped in the United States only by certain Ferrari and Lamborghini products. With first crack at much of the newest technology in GM's arsenal, it is arguably the most advanced **see CORVETTE, page 9**

LATE NEWS

VW recalls 7,000 Corrados

TROY, Mich. — Volkswagen United States Inc. is recalling about 7,000 of its 1990 and 1991 Corrados to check fuel pumps for a possible defect.

VW said the fuel filter connected to the fuel pump assembly could deform, causing the fuel pump to come loose. That may cause the car to stall. The company noted that a number of the affected vehicles are still in dealers' inventories.

Sinclair leaves Saab USA Sept. 1; Helling to CEO, Halbach chairman

Saab Cars USA Inc. Chairman Robert Sinclair will retire Sept. 1, after 12 years as head of the company.

Sinclair, 59, said in a letter to dealers Friday that President Sten Helling will also become CEO. Hans Halbach, executive vice president at Saab Automobile AB in Sweden, will succeed Sinclair as Saab Cars USA's chairman. Halbach will remain based in Sweden.

Sinclair stepped back from day-to-day duties last week, when Helling became president and Sinclair was named to the new position of chairman.

— David Versical

Korea's Kia to assemble Mazda 929 next year

SEOUL, South Korea — Kia Motors Corp. said last week that it will begin assembling the Mazda Luce/929 from kits beginning in the spring of 1992.

Production plans call for starting with 2,000 units monthly, Kia said. The Luce, equipped with a 3.0-liter V-6, will compete against Daewoo Motor's Imperial and Hyundai Motor's Grandeur models.

Mazda Motor Corp. this month introduced its all-new replacement for the Luce/929, a longer and wider car that will be called the Sentia in Japan and the 929 in the United States. It was not immediately clear whether Kia will assemble the all-new car or the old Luce.

Kia is 8 percent owned by Mazda and 10 percent by Ford Motor Co.

— Oles Gadacz

Brazil allows 6.5% price hike

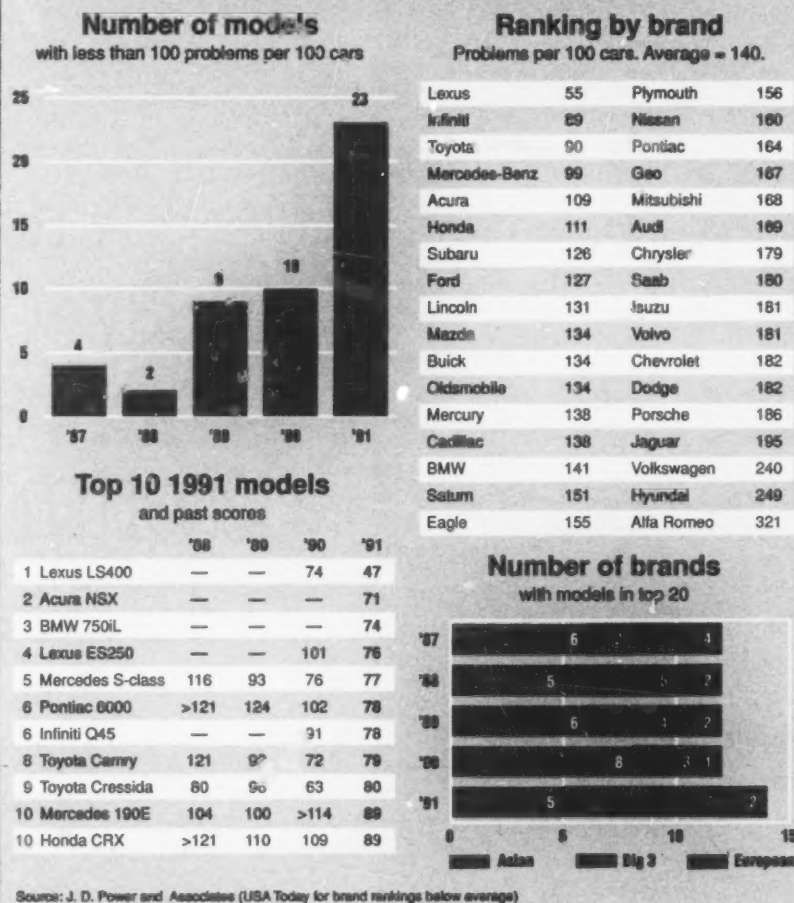
SAO PAULO, Brazil — Brazil's new economic team last week gave the country's automakers permission to raise passenger-car prices by an average 6.5 percent and rebated to the industry a part of the Industrialized Products Tax manufacturers pay every month.

The measure acts to give the automakers an infusion of working cash during the current wage and price freeze.

— Rik Turner

J.D. Power 1991 Initial Quality Survey

Results based on survey of 33,137 car buyers were released May 31.



AUTOMOTIVE NEWS / MARTHA GRATTAN

Nissan to build electric cars

Nissan Motor Co. Ltd. will manufacture an electric car starting in 1997.

The company said last week in Tokyo that in partnership with Kyushu Electric Power Co. of Tokyo it will begin commercial production in 1997.

The company did not say whether the vehicle would use the Super Quick Charge battery system it announced two weeks ago.

Nissan announced no specifics of the project, but reports in Japanese media late last week said the car will have a range of 120 miles at 25 mph on a single electrical charge.

— Lindsay Chappell

2 GM vice presidents reassigned at C-P-C

WARREN, Mich. — General Motors vice presidents David D. Campbell and Arvin F. Mueller have been reassigned to give them control over product platforms at the Chevrolet-Pontiac-Canada Group.

Campbell, 61, who had been C-P-C group director of operations since 1984, now is general manager of rear-wheel-drive platforms. He is responsible for the Chevrolet Caprice sedan and wagon, Buick Roadmaster sedan and wagon and Oldsmobile Custom Cruiser wagon (B-body); Cadillac Brougham (D-body);

Chevrolet Corvette (Y-body), and Chevrolet Camaro and Pontiac Firebird (F-body) platforms.

Mueller, 59, who had been C-P-C group director of engineering since 1988, now is general manager of mid-sized products. He is responsible for the Buick Century and Oldsmobile Cutlass Ciera (A-body); Buick Regal, Oldsmobile Cutlass Supreme, Pontiac Grand Prix and Chevrolet Lumina (W-body) platforms and the Chevrolet Lumina, Pontiac Trans Sport and Oldsmobile Silhouette minivans.

— Phil Frame

Fuji loses \$620 million for year; U.S. Subaru units are in red

TOKYO — Fuji Heavy Industries, the maker of Subaru vehicles, reported a consolidated net loss of 86.9 billion yen (about \$620 million at current exchange rates) for the fiscal year ended March 31 despite a 23.9 percent increase in sales, to 819 billion yen (\$5.8 billion).

The company also reported that its consolidated operating loss widened to 79 billion yen (\$564 million) from 38 billion yen the previous year. Consolidated results include the parent firm and subsidiaries.

Fuji said the parent company accounted for 66.4 billion yen of the net loss. Subaru of America and the company's joint manufacturing venture with Isuzu Motors Ltd. in Indiana accumulated the remaining 20 billion yen deficit, the company said.

Fuji said most of the loss occurred in the first half of the year. It attributed the loss to heavy depreciation costs, the high cost of selling in the United States and investment for new products in Japan.

Fuji said it expects to earn about 2 billion yen (\$14.3 million) during the current fiscal year on an unconsolidated basis. But it indicated it would be difficult to finish in the black on its U.S. operations.

— Mary Ann Maskery

NADA's Green calls on makers, dealers to rethink ties

THE HAGUE, Netherlands — It is time for automobile dealers around the world to re-evaluate their relationships with manufacturers, according to Ray Green, immediate past president of the National Automobile Dealers Association.

In remarks to the New Vehicle Committee of the International Organization of Motor Trades, Green urged dealers and their national associations to meet with manufacturers to revise franchise agreements.

In a global economy, he said, dealers must be a part of the manufacturers' decision-making process in matters that affect the products they sell.

BRIEFLY: Problems of the inner city outweigh Ford-Buick rivalry

A Buick dealer helping a rival Ford store sell cars? Yes. And it happened in Detroit, where the Big 3 these days work together on projects like batteries and wiring harnesses to get an edge on foreign competition.

Nate Conyers, the only black Ford dealer in the Motor City, held a week-long party to celebrate the opening of his new retail truck center, and he invited various politicians, business people and media folk to sell cars for a day.

Last Monday was dealer day at Conyers' dealership, Riverside Ford, and pulling sales duty along with the many Michigan Ford dealers who attended was Prat Parekh, owner of Prat Buick.

Parekh sold an Escort and said he had a lot of fun doing so. "The inner city dealers face a far greater problem than most

dealers who are in competition," Parekh said. "Since Nate and I are the only two minority dealers in Detroit, we work well with each other. This is not a Ford or Buick situation, it's a Detroit city program. We must work together to keep traffic in the city."

Parekh said it seems easier to sell Escorts than Buicks because Escorts are less expensive and appeal more to inner-city customers, the majority of whom are looking for entry level vehicles.

NISSAN TEES OFF: Employees at Nissan Research & Development Inc. will be tempted to break away for a quick game of golf when an \$80 million technical headquarters opens in Farmington Hills, Mich., this fall. The complex, on land that was once a country club, will include

a three-hole golf course.

PLANS UNDECIDED: Yoshira Kimbara, senior managing director of Toyota Motor Corp., says the company has not decided what, if anything, it will do with 1,000 acres on which it holds options in suburban Detroit.

The automaker was to present plans to township officials April 24, but canceled the presentation without saying why. Speculation was the project included a test track and office and laboratory space.

"No decision has been made," said Kimbara, following a dedication ceremony of a \$45 million parts and materials evaluation facility at Toyota's technical center in Ann Arbor, Mich., on June 6.

He said the company's "long-range plans" are being



Wild West scene hiked Toyota truck sales in Hollywood, Fla.

reviewed, including whether or not the Lyon Township property "can be used for product-development activities." He said a decision will be made by year's end.

TUMBLEWEEDS IN FLORIDA? Toyota of Hollywood in Hollywood, Fla., took a cue from California's Tinsel Town to convey the excitement of owning a Toyota pickup truck. The dealership

built a three-dimensional diorama featuring a pickup in an Arizona sunset. The display is complete with cactus, boulders, small animals and a male mannequin sporting Levis and a bandana. Customers were drawn to it like magnet. Protective glass had to be put up after the first day, a sales man said, because kids were jumping into the scenery.

U.S. CAR AND LIGHT-TRUCK SALES, MAY — 1991 vs. 1990 (ranked by car and light-truck total sales)

Make	Car Sales		1991 Share		1990 Share		Truck Sales		1991 Share		1990 Share		Car & Truck Totals		% Share of Total Car & Truck Market		Changes	
	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	Share (Points)	Sales (Percent)
Chevrolet/Geo*	116,239	136,961	15.1	15.7	104,548	118,303	27.0	27.0	220,787	255,264	19.1	19.5	-0.4	-13.5				
Ford	93,681	114,130	12.2	13.1	111,359	128,550	28.7	29.3	205,040	242,680	17.7	18.5	-0.8	-15.5				
Toyota	67,212	72,189	8.7	8.3	24,663	27,004	6.4	6.2	91,875	99,193	7.9	7.6	0.4	-7.4				
Dodge	31,570	32,994	4.1	3.8	42,056	47,540	10.9	10.9	73,626	80,534	6.4	6.1	0.2	-8.6				
Honda	66,272	70,411	8.6	8.1	—	—	—	—	66,272	70,411	5.7	5.4	0.4	-5.9				
Pontiac	48,885	62,353	6.4	7.1	1,995	3,041	0.5	0.7	50,880	65,394	4.4	5.0	-0.6	-22.2				
Nissan	34,500	38,702	4.5	4.4	14,861	13,742	3.8	3.1	49,361	52,444	4.3	4.0	0.3	-5.9				
Buick	48,585	44,960	6.3	5.2	—	—	—	—	48,585	44,960	4.2	3.4	0.8	8.1				
Oldsmobile	36,682	46,330	4.8	5.3	2,765	1,872	0.7	0.4	39,447	48,202	3.4	3.7	-0.3	-18.2				
Mercury	35,216	30,725	4.6	3.5	—	—	—	—	35,216	30,725	3.0	2.3	0.7	14.6				
Mazda	21,850	21,237	2.8	2.4	11,758	14,712	3.0	3.4	33,608	35,949	2.9	2.7	0.2	-6.5				
Plymouth	17,298	25,042	2.2	2.9	15,601	15,584	4.0	3.6	32,899	40,626	2.8	3.1	-0.3	-19.0				
GMC	—	—	0.0	0.0	27,318	31,634	7.1	7.2	27,318	31,634	2.4	2.4	-0.1	-13.6				
Cadillac	20,143	24,373	2.6	2.8	—	—	—	—	20,143	24,373	1.7	1.9	-0.1	-17.4				
Lincoln	18,976	21,649	2.5	2.5	—	—	—	—	18,976	21,649	1.6	1.7	0.0	-12.3				
Jeep	—	—	0.0	0.0	16,333	19,250	4.2	4.4	16,333	19,250	1.4	1.5	-0.1	-15.2				
Mitsubishi	13,070	14,789	1.7	1.7	1,916	3,597	0.5	0.8	14,986	18,386	1.3	1.4	-0.1	-18.5				
Acura	13,906	13,792	1.8	1.6	—	—	—	—	13,906	13,792	1.2	1.1	0.1	0.8				
Chrysler	12,799	21,669	1.7	2.5	345	226	0.1	0.1	13,144	21,895	1.1	1.7	-0.5	-40.0				
Isuzu	1,894	335	0.2	0.0	9,208	9,920	2.4	2.3	11,102	10,255	1.0	0.8	0.2	8.3				
VW	9,875	14,343	1.3	1.6	687	811	0.2	0.2	10,562	15,154	0.9	1.2	-0.2	-30.3				
Hyundai	9,237	13,322	1.2	1.5	—	—	—	—	9,237	13,322	0.8	1.0	-0.2	-30.7				
Subaru	7,690	7,128	1.0	0.8	—	—	—	—	7,690	7,128	0.7	0.5	0.1	7.9				
Saturn	6,832	0	0.9	0.0	—	—	—	—	6,832	0	0.6	0.0	0.6	—				
Volvo	6,734	9,885	0.9	1.1	—	—	—	—	6,734	9,885	0.6	0.8	-0.2	-31.9				
Eagle	6,010	5,775	0.8	0.7	—	—	—	—	6,010	5,775	0.5	0.4	0.1	4.1				
Mercedes	5,644	6,585	0.7	0.8	—	—	—	—	5,644	6,585	0.5	0.5	0.0	-14.3				
Lexus	5,204	5,102	0.7	0.6	—	—	—	—	5,204	5,102	0.4	0.4	0.1	2.0				
BMW	4,437	5,746	0.6	0.7	—	—	—	—	4,437	5,746	0.4	0.4	-0.1	-22.8				
Infiniti	2,783	2,115	0.4	0.2	—	—	—	—	2,783	2,115	0.2	0.2	0.1	31.6				
Suzuki	562	515	0.1	0.1	1,569	1,423	0.4	0.3	2,131	1,938	0.2	0.1	0.0	10.0				
Saab	1,750	1,932	0.2	0.2	—	—	—	—	1,750	1,932	0.2	0.1	0.0	-9.4				
Audi	1,280	2,060	0.2	0.2	—	—	—	—	1,280	2,060	0.1	0.2	0.0	-37.9				
Daihatsu	500	721	0.1	0.1	245	455	0.1	0.1	745	1,176	0.1	0.1	0.0	-36.6				
Jaguar	525	1,575	0.1	0.2	—	—	—	—	525	1,575	0.0	0.1	-0.1	-66.7				
Porsche	483	911	0.1	0.1	—	—	—	—	483	911	0.0	0.1	0.0	-47.0				
Alfa Romeo	370	148	0.0	0.0	—	—	—	—	370	148	0.0	0.0	0.0	150.0				
Peugeot	299	443	0.0	0.1	—	—	—	—	299	443	0.0	0.0	0.0	-32.5				
Range Rover	—	—	0.0	0.0	227	367	0.1	0.1	227	367	0.0	0.0	0.0	-38.1				
Sterling	196	320	0.0	0.0	—	—	—	—	196	320	0.0	0.0	0.0	-38.8				
Yugo	116	608	0.0	0.1	—	—	—	—	116	608	0.0	0.0	0.0	-80.9				
Other*	195	245	0.0	0.0	—	—	—	—	195	245	0.0	0.0	0.0	0.0				
TOTAL	769,500	872,120	100.0	100.0	387,454	438,031	100.0	100.0	1,156,954	1,310,151	100.0	100.0	0.0	-11.7				
TOTAL BIG 3	492,916	566,961	64.1	65.0	322,320	366,000	83.2	83.6	815,236	932,961	70.5	71.2	-0.7	-12.6				
TOTAL JAPAN	235,443	247,036	30.6	28.3	64,220	70,853	16.6	16.2	299,663	317,889	25.9	24.3	1.6	-5.7				
TOTAL EUROPE	31,904	44,801	4.1	5.1	914	1,178	0.2	0.3	32,818	45,979	2.8	3.5	-0.7	-28.6				
GM	277,366	314,977	36.0	36.1	136,626	154,850	35.3	35.4	413,992	469,827	35.8	35.9	-0.1	-11.9				
Ford	147,873	166,504	19.2	19.1	111,359	128,550	28.7	29.3	259,232	295,054	22.4	22.5	-0.1	-12.1				
Chrysler	67,677	85,480	8.8	9.8	74,335	82,600	19.2	18.9	142,012	168,080	12.3	12.8	-0.6	-15.5				
Toyota/Lexus	72,416	77,291	9.4	8.9	24,663	27,004	6.4	6.2	97,079	104,295	8.4	8.0	0.4	-6.9				
Honda/Acura	80,178	84,203	10.4	9.7	0	0	0.0	0.0	80,178	84,203	6.9	6.4	0.5	-4.8				
Nissan/Infiniti	37,283	40,817	4.8	4.7	14,861	13,742	3.8	3.1	52,144	54,559	4.5	4.2	0.3	-4.4				
VW/Audi	11,155	16,403	1.4	1.9	687	811	0.2	0.2	11,842	17,214	1.0	1.3	-0.3	-31.2				
*Geo	21,990	26,201	2.9	3.0	3,436	3,356	0.9	0.8	25,426	29,557	2.2	2.3	-0.1	-14.0				
**Made by Japan	262,821	277,310	34.2	31.8	67,315	75,758	17.4	17.2	330,136	352,568	28.5	26.9	1.6	-6.4				

*Includes 1991 estimated sales of 80-Ferrari, 50-Rolls-Rentley, 77-Lexus, 20-Maserati, 12-Lamborghini, and 5-Aston Martin

**Includes vehicles sold by Big 3 but made in plants managed by Japanese companies; excludes vehicles sold by Japanese but made in Big 3 plants

*Includes 1991 estimated sales of 80-Ferrari, 50-Rolls-Royce, 27-Lexus, 20-Maserati, 12-Lamborghini, and 5-Aston Martin.

*Includes vehicles sold by Big 3 but made in plants managed by Japanese companies; excludes vehicles sold by Japanese but made in Big 3 plants.

U.S. CAR AND LIGHT-TRUCK SALES, 5 MONTHS — 1991 vs. 1990 (ranked by car and light-truck total sales)

Make	Car Sales		1991 Share		1990 Share		Truck Sales		1991 Share		1990 Share		Car & Truck Totals		% Share of Total Car & Truck Market		Changes	
	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	1991	1990	Share (Points)	Sales (Percent)
Ford	447,526	579,958	13.3	14.6	477,863	594,614	28.9	29.8	925,389	1,174,572	18.4	19.7	-1.2	-21.2				
Chevrolet/Geo*	487,781	600,251	14.5	15.1	434,733	543,526	26.3	27.2	922,514	1,143,777	18.4	19.2	-0.8	-19.3				
Toyota	266,967	305,314	7.9	—	104,922	109,080	6.3	5.5	371,889	414,394	7.4	6.9	0.5	-10.3				
Dodge	139,913	145,862	4.2	3.7	188,865	221,902	11.4	11.1	328,778	367,764	6.5	6.2	0.4	-10.6				
Honda	259,984	289,276	7.7	7.3	—	—	—	—	259,984	289,276	5.2	4.8	0.3	-10.1				
Buick	224,245	222,502	6.7	5.6	—	—	—	—	224,245	222,502	4.5	3.7	0.7	0.8				
Pontiac	213,754	267,987	6.3	6.7	8,551	12,722	0.5	0.6	222,305	280,709	4.4	4.7	-0.3	-20.8				
Nissan	144,455	179,598	4.3	4.5	66,637	74,075	4.0	3.7	211,092	253,673	4.2	4.2	0.0	-16.8				
Oldsmobile	170,120	223,968	5.1	5.6	10,838	9,069	0.7	0.5	180,958	233,037	3.6	3.9	-0.3	-22.3				
Mercury	155,560	163,665	4.6	4.1	—	—	—	—	155,560	163,665	3.1	2.7	0.4	-5.0				
Mazda	107,264	99,459	3.2	2.5	46,083	50,838	2.8	2.5	153,347	150,297	3.1	2.5	0.5	2.0				
Plymouth	79,435	110,664	2.4	2.8	68,901	78,723	4.2	3.9	148,336	189,387	3.0	3.2	-0.2	-21.7				
GMC	—	—	0.0	0.0	112,785	141,182	6.8	7.1	112,785	141,182	2.2	2.4	-0.1	-20.1				
Cadillac	88,449	113,047	2.6	2.8	—	—	—	—	88,449	113,047	1.8	1.9	-0.1	-21.8				
Mitsubishi	68,627	75,033	2.0	1.9	12,463	17,547	0.8	0.9	81,090	92,580	1.6	1.6	0.1	-12.4				
Lincoln	80,070	104,565	2.4	2.6	—	—	—	—	80,070	104,565	1.6	1.8	-0.2	-23.4				
Jeep	—	—	0.0	0.0	67,019	85,572	4.1	4.3	67,019	85,572	1.3	1.4	-0.1	-21.7				
Acura	57,767	58,109	1.7	1.5	—	—	—	—	57,767	58,109	1.2	1.0	0.2	-0.6				
Chrysler	53,346	78,601	1.6	2.0	1,580	1,320	0.1	0.1	54,926	79,921	1.1	1.3	-0.2	-31.3				
Hyundai	46,768	58,144	1.4	1.5	—	—	—	—	46,768	58,144	0.9	1.0	0.0	-19.6				
Isuzu	5,048	1,465	0.1	0.0	39,743	44,632	2.4	2.2	44,791	46,097	0.9	0.8	0.1	-2.8				
Subaru	44,145	41,112	1.3	1.0	—	—	—	—	44,145	41,112	0.9	0.7	0.2	7.4				
VW	40,650	53,729	1.2	1.4	2,347	2,929	0.1	0.1	42,997	56,658	0.9	0.9	-0.1	-24.1				
Volvo	32,244	40,321	1.0	1.0	—	—	—	—	32,244	40,321	0.6	0.7	0.0	-20.0				
Mercedes	23,613	30,615	0.7	0.8	—	—	—	—	23,613	30,615	0.5	0.5	0.0	-22.9				
Eagle	23,560	24,784	0.7	0.6	—	—	—	—	23,560	24,784	0.5	0.4	0.1	-4.9				
Lexus	21,751	23,386	0.6	0.6	—	—	—	—	21,751	23,386	0.4	0.4	0.0	-7.0				
BMW	19,933	26,062	0.6	0.7	—	—	—	—	19,933	26,062	0.4	0.4	0.0	-23.5				
Saturn	18,654	0	0.6	0.0	—	—	—	—	18,654	0	0.4	0.0	0.4	ERR				
Isaab	12,359	10,450	0.4	0.3	—	—	—	—	12,359	10,450	0.2	0.2	0.1	18.3				
Infiniti	11,401	7,471	0.3	0.2	—	—	—	—	11,401	7,471	0.2	0.1	0.1	52.6				
Suzuki	1,976	2,568	0.1	0.1	7,589	7,007	0.5	0.4	9,565	9,575	0.2	0.2	0.0	-0.1				
Audi	4,909	8,526	0.1	0.2	—	—	—	—	4,909	8,526	0.1	0.1	0.0	-42.4				
Daihatsu	2,483	5,180	0.1	0.1	1,353	1,837	0.1	0.1	3,836	7,017	0.1	0.1	0.0	-45.3				
Jaguar	3,451	7,918	0.1	0.2	—	—	—	—	3,451	7,918	0.1	0.1	-0.1	-56.4				
Porsche	2,032	4,282	0.1	0.1	—	—	—	—	2,032	4,282	0.0	0.1	0.0	-52.5				
Alfa Romeo	1,680	904	0.0	0.0	—	—	—	—	1,680	904	0.0	0.0	0.0	85.8				
Peugeot	1,618	2,021	0.0	0.1	—	—	—	—	1,618	2,021	0.0	0.0	0.0	-19.9				
Range Rover	—	—	0.0	0.0	1,208	1,724	0.1	0.1	1,208	1,724	0.0	0.0	0.0	-29.9				
Sterling	1,099	2,025	0.0	0.1	—	—	—	—	1,099	2,025	0.0	0.0	0.0	-45.7				
Yugo	1,004	3,192	0.0	0.1	—	—	—	—	1,004	3,192	0.0	0.1	0.0	-68.5				
Other*	1,125	1,225	0.0	0.0	—	—	—	—	1,125	1,225	0.0	0.0	0.0	0.0				
TOTAL	3,366,766	3,973,239	100.0	100.0	1,653,480	1,998,299	100.0	100.0	5,020,246	5,971,538	100.0	100.0	0.0	-15.9				
TOTAL BIG 3	2,182,413	2,635,854	64.8	66.3	1,371,135	1,688,630	82.9	84.5	3,553,548	4,324,484	70.8	72.4	-1.6	-17.8				
TOTAL JAPAN	991,868	1,087,971	29.5	27.4	278,790	305,016	16.9	15.3	1,270,658	1,392,987	25.3	23.3	2.0	-8.8				
TOTAL EUROPE	145,717	191,270	4.3	4.8	3,555	4,653	0.2	0.2	149,272	195,923	3.0	3.3	-0.3	-23.8				
GM	1,203,003	1,427,755	35.7	35.9	566,907	706,499	34.3	35.4	1,769,910	2,134,254	35.3	35.7	-0.5	-17.1				
Ford	683,156	848,188	20.3	21.3	477,863	594,614	28.9	29.8	1,161,019	1,442,802	23.1	24.2	-1.0	-19.5				
Chrysler	296,254	359,911	8.8	9.1	326,365	387,517	19.7	19.8	622,619	747,428	12.4	12.5	-0.1	-16.7				
Toyota/Lexus	287,718	328,700	8.6	8.3	104,922	109,080	6.3	5.5	393,640	437,780	7.8	7.3	0.5	-10.1				
Honda/Acura	317,751	347,385	9.4	8.7	0	0	0.0	0.0	317,751	347,385	6.3	5.8	0.5	-8.5				
Nissan/Infiniti	155,856	187,069	4.6	4.7	66,637	74,075	4.0	3.7	222,493	261,144	4.4	4.4	0.1	-14.8				
VW/Audi	45,559	62,255	1.4	1.6	2,347	2,929	0.1	0.1	47,906	65,184	1.0	1.1	-0.1	-26.5				
Geo*	96,619	110,538	2.9	2.8	12,571	13,682	0.8	0.7	109,190	124,220	2.2	2.1	0.1	-12.1				
**Made by Japan	1,110,570	1,216,476	33.0	30.6	289,214	325,518	17.5	16.3	1,399,784	1,541,994	27.9	25.8	2.1	-9.2				

*Includes 1991 estimated sales of 400-Rolls-Bentley, 135-Lexus, 100-Maserati, 65-Lamborghini, and 25-Aston Martin.

**Includes vehicles sold by Big 3 but made in plants managed by Japanese companies; excludes vehicles sold by Japanese but made in Big 3 plants.

DOMESTIC CAR SALES, MAY & YTD

	May 1991	May 1990	Jan. 1 to May 31, 1991	Jan. 1 to May 31, 1990
Summit	753	0	2,829	0
Talon	3,132	3,147	13,103	11,706
Premier	1,339	1,258	4,365	6,193
Total Eagle	5,224	4,405	20,297	17,899
Horizon	51	1,201	352	9,098
Laser	3,259	4,423	11,992	21,018
Sundance	4,410	7,008	17,166	25,713
Reliant	0	150	0	2,074
Acclaim	7,992	10,413	43,836	44,276
Total Plymouth	15,712	23,195	73,346	102,179
LeBaron A*	1,636	4,736	7,428	11,064
LeBaron J	5,294	6,679	18,640	26,011
LeBaron GTS	0	132	0	1,115
Fifth Avenue (rwd)	0	49	0	620
Fifth Avenue (fwd)	3,591	3,509	16,234	14,908
Imperial	1,073	1,038	4,390	5,259
New Yorker C	1,108	5,166	5,976	17,023
Total Chrysler	12,702	21,309	52,668	76,000
Omni	44	1,278	378	9,994
Shadow*	7,999	7,635	29,678	29,513
Monaco	782	492	2,101	1,420
Daytona	1,579	3,810	6,573	15,785
Aries	0	118	0	1,636
Lancer	0	79	0	813
Spirit*	5,995	9,519	37,146	38,767
Dynasty	11,369	7,902	48,613	40,080
Total Dodge	27,768	30,833	124,489	137,108
CHRYSLER CORP.	61,406	79,742	270,800	333,186
Escort*	18,727	24,867	96,522	116,080
Mustang	7,783	11,998	31,027	52,925
Tempo	14,325	16,460	79,748	100,066
Taurus	27,959	24,129	128,318	139,473
Thunderbird	7,293	9,337	32,810	48,004
Probe	8,161	13,998	32,670	50,836
Crown Victoria	5,946	9,018	30,225	46,823
Total Ford Div.	90,194	109,807	431,320	554,207
Topaz	5,652	6,366	24,848	34,088
Sable	9,168	7,330	39,884	41,734
Cougar	5,587	7,016	23,686	35,780
Grand Marquis	10,246	9,122	40,510	44,185
Total Mercury	30,653	29,834	128,928	155,787
Continental	5,656	4,374	23,168	27,536
Town Car	12,376	14,864	52,972	65,657
Mark VII	944	2,411	3,930	11,372
Total Lincoln	18,976	21,649	80,070	104,565
Total L-M Div.	49,629	51,483	208,998	260,352
FORD MOTOR CO.	139,823	161,290	640,318	814,559
Skyhawk	0	46	0	631
Roadmaster	4,322	0	8,242	0
Somerset/Skylark	3,932	9,078	39,739	43,876
Century*	13,694	9,526	48,930	49,796
Regal	9,949	7,882	44,113	28,126
LeSabre	7,357	13,039	42,564	66,717
Reatta	274	601	1,214	2,923
Electra/Park Ave.	7,706	2,979	32,799	21,678
Riviera	1,351	1,709	6,644	8,755
Total Buick	48,585	44,860	224,245	222,582
Allante	403	241	1,174	1,281
Seville	4,293	6,190	15,109	16,203
DeVille	12,409	13,227	55,449	71,174
Brougham	1,596	2,263	9,544	13,955
Eldorado	1,442	2,452	7,173	10,434
Total Cadillac	20,143	24,373	88,449	113,047
Geo Metro	4,699	2,885	28,247	7,126
Geo Prizm	6,702	9,666	30,869	45,792
Cavalier*	25,960	23,143	125,470	128,426
Camaro	5,459	9,289	20,121	33,067
Celebrity	66	3,365	581	13,411
Corsica/Beretta	25,693	29,650	90,998	133,288
Lumina	22,505	22,013	89,801	99,172
Caprice	12,855	20,390	56,662	73,254
Corvette	1,711	2,910	7,529	9,746
Total Chevrolet	105,650	123,311	450,278	542,631
Calais	3,897	9,373	31,194	43,746
Cutlass Ciera*	13,152	18,093	45,271	60,401
Cutlass Supreme	9,434	6,676	38,157	50,225
BB	4,485	6,850	30,016	42,436
98	4,682	3,959	21,475	20,968
Toronado	1,032	1,379	4,007	6,192
Total Oldsmobile	36,682	46,330	170,120	223,968
Sunbird	8,786	9,884	39,726	44,719
Firebird	2,319	4,399	8,932	16,995
Grand Am	18,186	22,071	77,613	90,606
Pontiac 6000	3,677	4,786	12,763	22,360
Grand Prix	9,272	10,815	39,396	50,353
Bonneville H	3,302	5,776	21,319	28,589
Total Pontiac	45,542	57,731	199,749	253,622
Total Saturn	6,832	0	18,654	0
GENERAL MOTORS	263,434	296,605	1,151,495	1,355,770
Civic	16,559	21,196	51,923	80,762
Accord	33,982	25,641	130,435	110,304
HONDA	50,541	46,837	182,358	191,066
MX-6	2,161	2,195	14,986	12,016
626	5,004	3,113	29,087	12,282
MAZDA	7,165	5,308	44,073	30,798
MINI	5,061	4,972	31,046	22,564
NISSAN*	11,732	8,527	51,075	39,173
Corolla	12,960	15,866	46,332	58,996
Camry	20,733	22,023	74,078	89,743
TOYOTA	33,693	37,889	120,410	148,739
SUBARU	3,598	579	17,743	1,441
DOMESTIC TOTAL	576,453	641,749	2,509,318	2,937,296
IMPORT TOTAL	193,047	230,271	857,448	1,035,943
INDUSTRY TOTAL	769,500	872,020	3,366,766	3,973,239

*Includes units produced in Mexico.

BUILDOUT

FROM PAGE 1

other models.

"I think they realize how bad everyone has been hurting," said Art Clemmer, general manager at Axelrod Chrysler-Dodge in Wadsworth, Ohio. "Not making us order poor-selling models will really help us out this summer."

Oldsmobile will not warehouse any vehicles for "as-needed" orders from dealers this buildout season, limiting the number of vehicles available, according to Jerry Bessen, president of Courtesy

Oldsmobile Inc. in Bronx, N.Y.

"Olds is not going to build cars and put them against the wall this year," he said. "If dealers don't order them now, Olds isn't going to build them."

The Automotive News Data Center projects that 1991 model year production of cars and light trucks in U.S. and Canadian factories will total 10.2 million units, a decline of 9.7 percent from 1990-model output of 11.3 million. Besides ordering fewer vehicles than last year, dealers are being more selective in what they do order.

"We are ordering only those

models that have good track records with us," said Peter Griffin, president of Griffin Ford Inc. in Greenwich, Conn. "We spent a lot of time selecting colors, upholstery, equipment packages on every car order." Griffin said he has changed the way he orders cars because he still has half a dozen 1990 models.

Lynn Voss, sales manager for George Ballas Buick-Pontiac in Kansas City, Kan., said Buick cut back on build numbers this year, and he is afraid that he and other dealers "could be hurting for cars in July if things should pick up."

Pontiac and Buick also compensated their dealers \$100 a car to offset some floorplan expense when Grand Ams and Skylarks were ordered early in the buildout period, according to Voss.

Despite the optimistic projections about the end of the recession coming from the White House and some analysts, many dealers, like Dave Towell, owner of Dave Towell Cadillac Inc. in Akron, Ohio, expect a tough summer.

"I'm not expecting the summer to take off in sales, and I don't think the manufacturers are expecting that to happen either, based on their production schedules," Towell said. "The intelligent dealer better be looking at the market and what he has done the first five months of the year and order based on the conservative sales pattern we have seen."

Jim Phelps, sales manager of Preston Ford in Preston, Md., said he, too, has been more selective in his orders this year. "We got hurt last year, ordering too heavy in certain lines, overloading ourselves, expecting better summer sales," he said. "We're going to avoid that this year."

Kyle Hobson, general manager at McKenney Chevrolet in Cherryville, N.C., said he is looking at a long, hot summer, but expects things to pick up by September with the 1992 models.

Sales of cars and light trucks in May were down 11.7 percent from last year, with domestic car sales dipping 10.2 percent and imported car sales plunging 16.2 percent.

Although factories and dealers don't like to admit that they have written off the 1991 model year, inventories and buildout orders certainly don't reflect any optimism. But there is a potential upside: The combination of lean 1991 model inventories and possibly fat cleanup rebates could set the stage for the 1992 models because there is unlikely to be a glut of 1991s to interfere with the launch.

General Motors and Ford Motor Co. dealers will get another break on 1991 inventories in the form of the 5 percent carryover allowance on vehicles left in stock when the 1992 model year begins. The GM payment covers all 1991 models; the Ford payment covers all except the 1991 Mercury Grand Marquis and Ford Crown Victoria and Explorer.

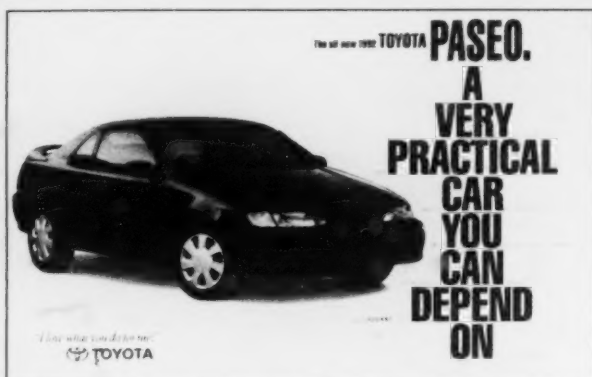
Jack Wells, general sales manager for Beach Lincoln-Mercury in Huntington Beach, Calif., believes there is an epidemic of conservatism among car dealers across the country. "I believe most dealers are going to grow at the rate the economy grows — if the economy grows slowly, so will car inventories."

Wendy Beale Needham, auto analyst at Smith Barney in New York, said, "There is no reason to produce a lot of cars now to make earnings look good. You can't — they look terrible."

Don Warnock, chairman of the Dodge National Dealer Council, is another who doesn't expect a summer upturn. "I don't foresee much of an uptick in market demand until 1992," he said.

LIGHT-DUTY TRUCK SALES, MAY & YTD

	May 1991	May 1990	5 Mos. 1991	5 Mos. 1990
Vans	9,444	14,918	41,222	65,481
Aerostar	15,680	18,000	60,067	78,701
Club Wagon	2,539	2,012	8,960	9,640
Ranger	22,206	25,457	100,574	119,910
Bronco	2,287	4,354	10,724	24,766
Bronco II/Explorer	22,508	15,706	99,258	49,819
Pickups	36,695	48,103	157,058	246,297
Ford	111,359	128,550	477,863	594,614
Vans	7,874	10,145	31,522	45,441
Sportsvan	1,217	1,130	4,068	4,075
Geo Tracker	3,436	3,356	12,571	13,682
Astro	12,718	11,993	46,716	55,838
Lumina APV	6,122	7,374	19,872	25,920
S10	19,500	18,592	86,182	75,824
S10 Blazer	10,561	14,332	49,518	60,186
Blazer	972	1,252	4,646	8,313
Suburban	3,972	4,855	15,541	26,125
Pickups	38,176	45,274	164,097	228,122
Chevrolet	104,548	118,303	434,733	543,526
Pontiac Trans Sport	1,995	3,041	8,551	12,722
Olds Silhouette	2,765	1,872	10,838	9,069
Vans	4,721	6,345	19,747	25,428
Ram Wagon	2,094	2,909	8,415	10,880
Voyager	15,601	15,584	68,901	78,723
Caravan	18,313	17,195	83,936	89,029
Caravan C/V	1,076	1,891	4,649	6,311
Town & Country	345	226	1,580	1,320
Ram 50	393	983	1,899	5,968
Raider	0	66	0	852
Ramcharger	508	1,045	2,689	4,936
Dakota	7,409	7,410	32,484	35,452
Pickups	7,542	9,696	35,044	43,046
Chrysler	58,002	63,350	259,346	301,945
Vans	3,001	4,059	12,406	16,161
Safari	3,551	3,364	13,203	13,877
S15/Sonoma	3,992	4,521	18,432	17,682
S15 Jimmy	2,633	3,866	11,983	15,058
Jimmy	224	401	1,189	2,550
Suburban	1,667	1,912	6,163	10,617
Pickups	11,963	13,031	48,027	63,506
P Model	191	323	857	1,172
W4	96	157	525	559
GMC	27,318	31,634	112,785	141,182
Wrangler	5,368	6,042	17,959	21,805
Wagoner	0	0	0	0
Cherokee	9,975	11,572	44,570	54,326
Grand Wagoner	308	541	1,608	2,741
Comanche	682	1,095	2,882	6,700
Jeep	16,333	19,250	67,019	85,572
Daihatsu	245	455	1,353	1,837
Pickup*	4,281	5,231	16,586	17,353
Amigo	736	1,145	3,267	4,634
Trooper	1,735	3,544	10,389	22,645
Rodeo	2,456	0	9,501	0
Isuzu	9,208	9,920	39,743	44,632
Pickup	5,086	10,989	21,027	35,007
MPV	5,938	3,723	21,010	15,831
Navajo	734	0	4,046	0
Mazda	11,758	14,712	46,083	50,838
Pickup	1,061	2,718	8,171	12,268
Montero	852	803	4,238	4,881
Van	3	76	54	398
Mitsubishi	1,916	3,597	12,463	17,547
Pickup*	11,513	10,155	50,887	57,059
Pathfinder	3,044	2,733	14,675	12,375
Axcess	39	679	286	3,651
Van	1	4	4	35
Hawaii	264	171	785	955
Nissan	14,861	13,742	66,637	74,075
Range Rover	227	367	1,208	1,724
Samurai	496	481	2,237	2,348
Sidekick*	1,073	942	5,352	4,659
Suzuki	1,569	1,423	7,569	7,907
Pickups	15,256	17,448	62,947	74,016
Previo	5,074	4,805	21,883	12,215
4Runner	3,694	4,179	16,717	20,490
Land-Cruiser	639	564	3,375	2,141
Van	0	8	0	218
Toyota	24,663	27,004	104,922	109,080
Volkswagen	687	811	2,347	2,929
Imports	65,134	72,831	282,345	309,660
Industry Total	387,454	438,931	1,653,480	1,996,290
* Includes domestic vehicles				
Sales charts compiled by Karen Dierker				



Print ads for the Paseo appear in *People*, *Sports Illustrated*, *GQ*, *Rolling Stone* and car enthusiast magazines.

PRACTICAL PASEO

Ads pitch 'smart buy' and sex appeal

By Ariana Sawyers
AUTOMOTIVE NEWS STAFF REPORTER

Toyota Motor Sales U.S.A. Inc. is seeking a larger chunk of the young men's market by touting its new 1992 Paseo as a practical car that appeals to the emotions.

Ren Rooney, Toyota corporate marketing manager, said the entry-level sporty coupe is practical because it is a quality car with a base price of \$9,988, yet it delivers the fun and excitement that young men aged 18 to 29 want.

Toyota's entry level Tercel has a good young women's audience, he added.

Paseo is competing with other entry-level coupes such as Geo Storm, Hyundai Scoupe and Honda CRX.

"It makes a statement," said Rooney. "It's a car you want to be seen in, and at the same time it says 'I'm a smart buyer.' We feel Paseo will give us the extra edge in getting males into the showroom."

Advertising began last Wednesday on national television during the National Basketball Association finals. The ads also are appearing on spot

television and cable television's MTV.

The two 30-second commercials parody the notion that some advertising is interspersed with subliminal messages.

One spot, entitled "Flashing Images," begins with a still shot of the car. While the first announcer explains that the Paseo is "a practical, sensible car/so don't expect a lot of excitement/just good basic transportation," a second, muted voice interjects phrases accompanied by a scene or word flashed across the screen.

With the phrase "women dig it," the flash scene is two sexy-looking women; with "let's party," the flash is a picture of a man in swimming trunks dancing with a bikini-clad woman.

The words wild, sexy and hot and a closeup of a man screaming also flash during the spot.

The spots end with the Toyota tagline, "I love what you do for me."

Print ads appear in *People*, *Sports Illustrated*, *GQ* and *Rolling Stone* magazines and car enthusiast publications.

The campaign is scheduled to run through August.

Luxury cars prop up Japan sales

By Mary Ann Maskery
AUTOMOTIVE NEWS STAFF REPORTER

TOKYO — Japanese car buyers continued to indulge themselves with high-powered luxury models in May, helping to prop up a market that remained weak overall, according to preliminary figures released last week.

In its monthly report, the Japan Automobile Dealers Association said sales of cars above 2 liters, the segment that includes most imports and cars like the hot-selling Mitsubishi Diamante, surged 39.2 percent in May, to 43,844 units.

But sales overall, excluding minicars, slipped 2.6 percent, to 432,377 units. Demand in the 660-cc-to-2.0-liter class, Japan's biggest segment, slid 10 percent.

Even sales of mini-vehicles (under 660 cc) slid 11 percent in May, to 145,614, the first decline in that segment in 14 months.

Minicar sales, which began taking off after the engine size for the vehicles was increased a year ago, have buoyed overall demand by bringing buyers into sales outlets.

But the effect is fading, and the future of the segment is not good, analysts say.

"Growth in the mini sector is through for now, and the next 12 months could be difficult," said Steve Usher, who follows the industry for Kleinwort Benson International in Tokyo.

The overall decline in May continues what has been a downward trend since the beginning of the year, interrupted briefly by a slight increase in April.

Most manufacturers are forecasting an upturn for the second half of the year, when several new models are introduced. But the assumption receives a mixed response from analysts.

Keith Donaldson of Salomon Brothers says he is "beginning to think along those lines" and is becoming more optimistic about a possible recovery.

But Usher says the new models might do well without arousing new demand in the overall market. Usher says he sees "no reason for joy later this year."

Toyota Motor Corp., Nissan

Motor Co. Ltd., Mazda Motor Corp., Isuzu Motors Ltd. and Daihatsu Motor Co. reported lower sales in May. Mitsubishi Motors Corp. again bucked the trend, reporting a 24.5 percent rise, to 34,368 units, on the strength of demand for its Diamante, Pajero and new RVR minivan. In contrast, the company's mini-car sales slid 22.3 percent, to 19,394.

Honda Motor Co. sales, largely pushed by demand for the end-of-cycle Civic, rose slightly last month. Honda said sales increased 2 percent, to 35,390.

Import sales fell again in May, the fifth consecutive monthly decline. Sales were off 4.3 percent, to 15,616 units, as demand for the segment-dominating German marques fell 8 percent, to 8,700.

General Motors sales were up 10.8 percent, to 759; Ford Motor Co. was off 28 percent, to 236, and Chrysler Corp. sales rose 17.5 percent, to 114.

Honda again was the biggest importer from the United States, reporting a 59.7 percent increase in sales, to 1,595.

Self-financing system hooks car dealers

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Dennis Murphy has two dealerships in New Port Riley, Fla.

He sells about 75 shiny new Lincolns and Mercurys and 65 used cars a month at his New Port Lincoln-Mercury store.

But next door, he has a different type of used-car business. Last month, he delivered 30 used cars that he financed with his own money.

Murphy, 42, is one of 23 new-car dealers around the country who have invested in a used-car dealership franchise operated by J.D. Byrider Systems Inc. of Marion, Ind. Dealers with a Byrider store sell used cars in the \$3,000 to \$6,000 range and finance the sales themselves.

Murphy says he could have sold 60 cars last month at his Byrider lot, but since he's a neophyte (he opened the store in April), he wants to be a bit cautious before putting too much of his money on the line.

"There's more business out there than I really expected," Murphy says. "It's almost the reverse of the retail market."

"In the new-car market, I'm advertising to get people in, but in the used (market), I'm turning people away."

The Byrider concept was put forth in 1989 by James DeVoe, president of DeVoe Cadillac-Chevrolet in Marion, Ind., who says that "banks and finance companies not buying deals is truly the problem in the car industry." DeVoe, 47, contends that at least 30 percent of the people who apply for vehicle loans each year are turned down.

Dennis Brown, chief operating officer of Byrider, says many of those credit rejects are people with steady jobs, who may have had credit difficulty in the past, or may be looking for a second car. "They have the ability to pay, but conventional lenders don't see it that way," Brown says.

Since 1986, DeVoe has conducted what he calls buy-here-pay-here seminars for 550 dealer organizations. In February, he addressed a standing-room-only crowd at the National Automobile

● We would put a mirror under their noses, and if it fogged up we would sell them a car. We're a lot smarter now. ●

Mark Maguire
Byrider franchiser

Dealer Association convention.

Jerry Smith, owner of Smith Volkswagen-Mitsubishi in Wilmington, Del., says, "Jim (DeVoe) has taken an old concept and brought it to a level of sophistication and professionalism."

Byrider services include how to purchase inventory, how to screen customers, computer equipment and twice-monthly consultant visits.

Smith opened his Byrider store last year, and his used-car sales increased from 300 in 1989 to 500 last year. He says at least 25 percent of his prospective customers are turned down by banks. "We hope to be able to convert these people to conventional financing, create an additional owner base for ourselves and create customer loyalty," Smith says.

Byrider dealers say profits are much higher than in the new-car business, but the risks are great as well.

Jim Maguire, a former Dodge dealer in Louisville, Ky., began financing his own cars in 1987 and opened a Byrider store in 1989. Maguire says he had to repossess 840 of the 2,400 used cars he financed from 1987 to 1989.

His son, Mark, said the biggest problem was selling to anyone who came along and not being able to collect the payments. "We would put a mirror under their noses, and if it fogged up we would sell them a car. We're a lot smarter now," Mark Maguire said.

Repossessions have declined from a third of all cars sold to about 15 percent.

Last month, the Maguires sold 119 cars, had gross payments of \$260,000 and net profit of \$80,000,

said Jim Maguire. He said the company had 38 chargeoffs in May for a total of \$68,000.

Chargeoffs are delinquent payments.

Maguire says overhead and chargeoffs generally amount to about 60 percent of gross sales. He says the company collected \$1 million in payments last year and has \$1.7 million on the books in receivables so far this year.

Maguire says he pays an average of \$1,800 for a car, sells it for an average of \$3,500 and tries to make an average profit of \$2,200, with interest.

"I can take \$1,800 and make \$2,200, instead of spending \$18,000 for a new car to make \$2,200," he says. "My risk is a whole lot less."

Maguire says he pays Byrider Systems \$37.50 a month for services, which he says helped turn his company around. "J.D. Byrider is quite sophisticated," he says.

Dealers pay \$29,000 for a Byrider franchise, plus 3 percent of gross receipts and another 2 percent of gross receipts for advertising fees. Franchisees not only operate a lot but a separate finance company called Credit Now Acceptance Co.

Brown says franchisees need \$250,000 to \$1.25 million to open the standard-looking blue and white Byrider store and for initial cash to buy cars and operate the credit company.

Dealers buy vehicles through auctions; some of them are obtained through trade-ins.

Vehicles generally sell for \$3,000 to \$6,000 retail and are usually not older than 10 years. Customer payments range from \$40 to \$60 a week, but some pay semimonthly or monthly.

DeVoe opened a buy-here-pay-here lot next to his new-car dealership in 1979. Last year, he sold 1,300 new cars, 700 used cars through conventional lending and 650 used cars through his Byrider lot.

DeVoe says he "totally, absolutely" would have lost those 650 sales had it not been for his own finance company. "Banks and other finance companies are under a lot of stress," DeVoe says. Byrider "provides a new lending source."

IMPORTED CAR SALES, MAY & YTD

	May 1991	May 1990	5 Mos. 1991	5 Mos. 1990
Acura	13,906	13,792	57,767	58,109
Alfa Romeo	370	148	1,680	904
Aston Martin	5	5	25	25
Audi	1,280	2,060	4,909	8,526
BMW	4,437	5,746	19,933	26,062
Chevrolet/Geo	10,589	13,650	37,503	57,620
Chrysler	97	360	678	2,601
Daihatsu	500	721	2,483	5,180
Dodge	3,802	2,161	15,424	8,754
Eagle	786	1,370	3,263	6,885
Ferrari	80	80	400	400
Ford	3,487	4,323	16,206	25,751
Honda	15,731	23,574	77,626	98,210
Hyundai	9,237	13,322	46,768	58,144
Infiniti	2,783	2,115	11,401	7,471
Isuzu	1,894	335	5,048	1,465
Jaguar	525	1,575	3,451	7,918
Lamborghini	13	13	65	65
Lexus	5,204	5,102	21,751	23,386
Lotus	27	27	135	135
Maserati	20	20	100	100
Mazda	14,685	15,929	63,191	68,661
Mercedes-Benz	5,644	6,585	23,613	30,615
Mercury	4,563	891	26,632	7,878
Mitsubishi	8,009	9,817	37,581	52,469
Nissan	22,768	30,175	93,380	140,425
Peugeot	299	443	1,618	2,021
Plymouth	1,586	1,847	6,089	8,485
Pontiac	3,343	4,622	14,005	14,365
Porsche	483	911	2,032	4,282
Rolls-Royce	50	100	400	500
Saab	1,750	1,932	12,359	10,450
Sterling	196	320	1,099	2,025
Subaru	4,092	6,549	26,402	39,671
Suzuki	562	515	1,976	2,568
Toyota	33,519	34,300	146,557	156,575
Volkswagen	9,875	14,343	40,650	53,729
Volvo	6,734	9,885	32,244	40,321
Yugo	116	608	1,004	3,192
TOTAL	193,047	230,271	857,448	1,035,943

*Estimate. **Includes units produced in Canada.

INCENTIVE WATCH

CUSTOMER INCENTIVES

NEW PROGRAMS

FORD MOTOR CO.

(1990-91 models. Finance rates in lieu of rebates are 4.8 percent on Festiva, Escort (except Pony), Tracer, 7.9 percent on others. Terms are 24, 36 or 48 months. All incentives expire July 30.)

Ford Festiva, Escort Pony and LX, hatchbacks, Mustang	\$500
Escort wagon, GT	\$750
Tempo	\$600
Thunderbird	\$600-750
Taurus	\$750
Taurus SHO	\$1,600
Probe	\$1,000
Crown Victoria (1991)	\$1,500
F series, Econoline (1991)	\$500
Ranger, Aerostar, F series (over 8,500 gvw)	\$1,000
Econoline E150 (1990, with conversion pkg.)	\$1,500
Econoline E150 (1991, with conversion pkg.)	\$1,000
Branco	\$1,500
Mercury Tracer sedan	\$500
Tracer LTS and wagon	\$750
Topaz, Capri	\$600
Cougar	\$600-1,000
Sable	\$750
Grand Marquis (1991)	\$1,000

MAZDA (expires Aug. 2)	
Trucks (1991)	\$500-1,300*

*Based on region

CONTINUING PROGRAMS

CHRYSLER CORP.

Rebates expire June 30 unless otherwise noted. Finance rates in lieu of rebates are 4.9 percent to 9.9 percent, depending on length of contract. Finance rates on minivans are 7.9 to 10.9 percent.

Chrysler (1991)*	\$1,000-1,500
1990	\$500-1,000
Dodge Monaco (1991)*	\$1,500
Other 1991 cars*	\$400-1,000
Monaco (1990)*	\$1,500
Other 1990 cars	\$700-1,000
Dodge trucks (1991)	\$300-1,500
1990 trucks	\$500-2,000
Eagle Premier (1991)*	\$1,500
Other 1991	\$700
Premier (1990)*	\$1,500
Other 1990	\$700-1,000
Jeep	
Grand Wagoneer ('91)**	\$1,500
Other 1991	\$500-1,000
Grand Wagoneer ('90)**	\$1,500
Other 1990	\$1,000-2,000
Plymouth (1991)	\$400-1,000
1990 models	\$700-1,000
All minivans without air bag (1991)	\$500
1990 models	\$1,500

*Expires Sept. 30 on 1990-91 Monaco and Premier and 1991 Lefleron and Daytona
**Expires Dec. 31 on Grand Wagoneer

GENERAL MOTORS

All makes except Cadillac offer cut-rate financing in lieu of rebates. Unless otherwise noted, rebates expire July 7 on 1991 models.

Buick (1991)*	\$250-2,000
Cadillac Brougham (1991)	\$1,500
Chevrolet	
S Blazer (1991)	\$1,000
Other 1991	\$300-1,000
GMC	
Suburban (1991)**	\$1,000
Other 1991	\$500-1,000
Oldsmobile (1991)	
Regional incentives	\$500-2,250
Pontiac Grand Am ('91)	\$1,000

*Based on option package selected.
**Expires Sept. 25

HYUNDAI (expires July 2)

Excel (1990-91)	\$500-1,000
Sonata (1990-91)	\$1,000
Scoupe (1991)	\$750

MINITUBISHI (1990-91 models; expires June 30)

California	
Base Galant	\$500
Base Eclipse	\$500
Base pickup	\$650
Hawaii	
Mirage	\$500
Eclipse, Galant, pickup	\$750
Montero	\$1,500

SUBARU (1991, expires July 2)

Loyale	\$500
Legacy L	\$750
Legacy L Plus	\$900-2,000
Legacy LS	\$1,200-\$1,400
Legacy LSi	\$1,200-1,700
Legacy Spt. Sed.	\$1,000
XT, XT6	\$2,000

Ford, imports beef up rebates; GM ends '90 payments

By Ariana Sawyers

AUTOMOTIVE NEWS STAFF REPORTER

General Motors did not renew rebates on its 1990 models, but Ford Motor Co. and five imports added fuel to the fire with new and adjusted consumer and dealer incentives.

The imports are Honda, Suzuki, Saab, Mazda and Volvo.

It is unclear whether the GM divisions will reinstitute incentives on 1990 models, but many dealers don't mind because they have sold all those vehicles.

INCENTIVE WATCH

DEALER INCENTIVES

NEW PROGRAMS

HONDA (expires July 3)

Civic 4-door (1991)	\$400
Accord (1990)	\$400
Accord (1991, except EX)	\$400
Accord wagon (1991)	\$750

MAZDA (expires July 2 on cars, Aug. 2 on MPV)	
626, MX-6 (1991)	\$1,000
MPV (1991)	\$800

SUZUKI (expires Aug. 2)

Swift (1990-91)	\$400-1,000
Sidekick (1990)	\$1,000
Sidekick (1991)	\$300-1,000

VOLVO (expires June 30)	
740 and 940-SE (1991)	\$1,500

CONTINUING PROGRAMS

CHRYSLER CORP.

Premier and Monaco programs expire Sept. 30; others expire June 30.

Dodge Spirit (1990-91)	\$500
Monaco (1991)	\$1,000-2,000 based on sales, plus \$1,000 for each car ordered from factory
Monaco (1990)	\$1,000-2,000, based on sales
Eagle Premier (1991)	\$1,000-2,000 based on sales, plus \$1,000 on each car ordered from factory
Premier (1990)	\$1,000-2,000 based on sales
Jeep Grand Wagoneer (1990-91)	\$3,500
Plymouth Acclaim (1990-91)	\$500
Caravan, Voyager (no air bag) 1991	\$500

GENERAL MOTORS

Chevrolet Corvette	\$2,000
--------------------	---------

HYUNDAI (1991, expires July 2)

Scoupe, Sonata	\$100-300, based on sales
----------------	---------------------------

ISUZU (expires June 30)

1990-91 models	\$800-2,000 based on sales
----------------	----------------------------

MINITUBISHI (1990-91 models; expires June 30)

Mirage	\$250-1,200
Galant	\$200-1,700
Eclipse	\$200-1,700
Pickup	\$200-1,500
Montero	\$200-1,800

*Mitsubishi rebates differ by region. Some are flat payments; some are based on number sold; some are based on performance against quota.

NISSAN (1991, expires Aug. 2)

Sentra E, XE, GXE	\$400
Stanza	\$1,400
Maxima	\$800-1,000, quota
240SX	\$600-800, quota
300ZX	\$1,500
Trucks	\$1,200
Trucks (California only)	\$1,300-1,500, quota
Pathfinder	\$1,000-1,400, quota

PEUGEOT (1990, no expiration date)

	\$2,000
--	---------

VOLKSWAGEN

Golf, Jetta (1991, expires June 30)	\$500, based on number sold
-------------------------------------	-----------------------------

All cars (1990, no expiration date)	\$500-1,500
-------------------------------------	-------------

"I don't have any 1990s — I've been out for about 3½ months," said a Kentucky Oldsmobile dealer.

"We're all out of 1990s," said a Michigan Cadillac dealer.

Ford's new consumer rebate program applies to 1990 and 1991 models.

Consumer rebates on 1990s and 1991s are:

- \$500 to \$1,600 on Ford cars
- \$500 to \$1,000 on Mercury cars
- \$500 to \$1,500 on Ford trucks.

In lieu of rebates, consumers may choose cut-rate financing of 4.8 percent or 7.9 percent, determined by the model or region. The rates apply to 24-, 36- and 48-month contracts.

Some rebates vary by region:

- Thunderbird — Southeast and West, \$600 or 7.9 percent financing; Great Lakes, Central and Northeast, \$750 or 7.9 percent.
- Cougar — in the Southeast and West regions, \$600 or 7.9 percent; for Great Lakes, Central and

Northeast, \$1,000 or 7.9 percent.

- Mustang — West and Southeast, \$500 or 4.8 percent; Great Lakes, Central and Northeast, \$500 or 7.9 percent.

- F-series pickups over 8,500 pounds gross vehicle weight — Central and West only, \$1,000 or 7.9 percent.

The retail rebates are \$1,500 on the 1991 Crown Victoria and \$1,000 on the 1991 Grand Marquis.

Ford's program expires July 30.

American Honda Motor Co. Inc. added a \$750 dealer rebate on the 1991 Accord wagon and extended the entire program until July 3.

Through Aug. 2, **American Suzuki Motor Corp.** is paying rebates to dealers on Swift cars and Sidekick sport-utilities.

Dealer cash on the 1990 and 1991 Swift ranges from \$400 to 1,000. Sidekick payments are \$1,000 on the 1990 and \$300 to \$1,000 on the 1991.

Saab-Scania of America Inc. discontinued its cut-rate leasing program

on 1991 models in the 9000 series and adjusted the finance plan on the purchase of the vehicle.

Through July 31, Saab is offering 3.5 percent financing on all 9000 models for 24, 36 and 48 months with a down payment of 25 percent.

The previous program carried 4.35 percent and 5.35 percent financing with 20 percent down.

Mazda Motor of America Inc. is offering consumer rebates of \$500 to \$1,300 on 1991 trucks until Aug. 2. The truck rebates vary from region to region.

Also, Mazda is paying dealers \$1,000 on sales of 1991 models in the 626 and MX-6 lines through July 2 and \$800 on 1991 MPV minivans through Aug. 2.

Volvo Cars of North America dealers earn \$1,500 on sales of 740 and 940-SE cars (1991 models) through June 30.

Special Correspondent Darrell Pressley contributed to this report.

TOYOTA

FROM PAGE 2

versing a trend toward lighter, more flexible units begun years ago, Jagawa says. Where a unit now stamps one door at a time, for example, the heavier equipment will turn out two, he explains.

But speed in the die-change process — a hallmark of Japanese manufacturing competitiveness — will not be sacrificed, Jagawa said. Because the heavy equipment will be shifted by automated cranes, die changes will still be accomplished within the company's standard of 20 minutes, he said.

Additionally, the stamping process itself will be simplified at Fukuoka, Jagawa said.

Where five years ago it typically required six steps to stamp a given part, Jagawa said, Toyota can now do it in four.

But at Fukuoka, the process will be reduced to three steps — besting Honda Motor Co.'s new world standard of 3½, Jagawa said.

The Toyota engineers also hope to increase efficiency by upgrading welding robots to higher speeds, and by looking for greater ways to save energy in painting.

Final assembly at Fukuoka will be 10 to 15 percent automated when production starts up in early 1993, a level that compares with Japan's current manufacturing standard of 5 percent, Jagawa said. After three to five years, Toyota hopes to raise that to 30 percent.

Fukuoka's engineers cannot design in a 30-percent level of automation from the beginning because the cost would be prohibitive with current technology, he explained. But in the near future, he said, Toyota expects the technology-to-

cost ratio to improve, making a 30 percent level attainable.

To build one line with 30 percent automation based on current technology would cost about 10 billion yen (about \$72 million), or about 50 million yen per worker replaced, he estimates.

"Even if the technology is feasible, the cost is too high," he said.

To be feasible, the cost has to be brought down to about 35 million yen per worker, which is what Toyota will spend when the plant starts up with 15 percent automation, he said.

Beyond relying on intensive automation, Fukuoka's assembly lines also will be shorter than normal in a bid to raise output and quality.

Instead of the usual five or six lines, with about 70 workers each, the new plant will have perhaps 14 lines of 30 workers each, Jagawa said. The segments will be connected by buffer zones, or turntable areas able to hold several cars before moving them from one line to the next.

The new system will make it easier for a worker to stop the line to fix a problem, Jagawa said, because a stoppage of several minutes will not affect the next line, which can be supplied with cars and components stocked in the buffer zone.

That will minimize the time the line is down and also improve quality because there will be an inspection at each line segment, Jagawa says.

Worker morale should also be improved because it will give individual workers more responsibility, Jagawa said. Each group of 30 will be responsible for one complete

job, and good work can be more readily recognized and rewarded.

Toyota's engineers are not the only ones looking at the Fukuoka plant as an opportunity to explore fresh ideas.

The personnel division hopes to come up with a new system for the plant aimed at speedier promotions for workers.

Where a worker at Toyota City can expect to take 10 years to reach the level of assistant manager, a Fukuoka employee might attain the title in seven or eight years because the employee would be competing plantwide instead of companywide, a personnel specialist said.

Many of the ideas for improvements at Fukuoka have come directly from workers now on Toyota's production lines. One request they have is to work alongside women, Jagawa said.

Although women hold some auto plant jobs in subsidiary positions, none work on the line in Japan because of laws regulating women working on late night shifts. Most Japanese auto workers alternate between the day and night shift every other week, effectively excluding women from line work by putting them in conflict with convention and the law.

In Toyota company dormitories, for example, women face a 10 p.m. curfew.

But perhaps, Jagawa said, if the two-hour buffer between shifts that is usually used for overtime were eliminated, the second shift could be ended in time for women to qualify. If that is what it takes to attract young workers, he suggests, Toyota is ready to consider it.

FORD

FROM PAGE 2

culprit. "We are investigating the problem," Jelinek said. "We are trying to determine whether we need a special response beyond goodwill assistance."

The problem has been almost exclusively with the Tempo and Topaz models, Iny said.

Meantime, dealers were told to advise owners to keep a full tank of gas to help alleviate stalling.

Iny says it's not the goodwill program, but the administration of the program that is the problem. "How come goodwill only works in 35 percent of the cases?" Iny wants

to know from Ford officials.

Iny says Ford has not been consistent in awarding warranty payments with the fuel pump situation.

For example, an owner of a 1988 Topaz with 10,680 miles got no assistance from Ford, but another 1988 Topaz owner with 46,200 miles got \$129.19 Canadian (about \$112.39 U.S.).

The average cost to fix the fuel pump is \$342 Canadian (about \$297.54 U.S.).

"Ford appears to have stopped notifying owners of warranty extensions and has abandoned its po-

sition as Canada's leader in customer service campaigns," Iny wrote. "We believe this policy will prove to be detrimental to Ford in the long run."

Iny is asking Ford to extend the warranty coverage on the fuel system to five years/80,000 kilometers, to notify all owners of record and to reimburse consumers who have paid for repairs.

Ford spokesman Jelinek says that O'Connor will respond to Iny's letter. "We are interested in maintaining a dialogue with George," Jelinek said. "We want him to be pleased with our response."

Court clears way for Audi runaway suit

By Helen Kahn
SENIOR CORRESPONDENT

Rhode Island's highest court has ruled that there is enough evidence for the driver of a 1978 Audi 5000 to proceed with her unintended acceleration suit.

The driver, Rose Ferro, said she remembers leaving her parents' home, driving about one-tenth of a mile at about 15 mph and then waking up in the hospital. One witness, a gas station worker, said he saw the car moving at an "excessive speed" and hit a tree.

The witness testified that as he came to the scene he noticed Ferro's foot was not on the gas pedal but the engine continued to race. Another witness who had not seen the accident said he heard the engine racing both before and after the impact. An expert witness stated the collision was caused by "one or more design defects" in the Audi.

Ferro also used as evidence a recall notice from Volkswagen of America Inc., which she received about a year after the June 1981 accident. It noted that an improperly placed floor mat might interfere with the gas pedal.

Ferro filed suit in June 1984. In mid-1989, VWoA moved for a verdict in its favor and in July 1989 the trial judge exonerated VWoA on grounds the expert's view was speculative and there was not enough evidence of unintended acceleration.

In her appeal, Ferro said that even without the expert's opinion, there was enough evidence from lay witnesses to deserve a trial. The Rhode Island court agreed, saying that the affidavits of the two nearby witnesses plus the recall notice was "sufficient to establish a genuine issue of a material fact" without examining the question about the expert witness opinion.

The National Highway Traffic Safety Administration closed its investigation of the Audi 5000 in 1989 without finding a defect that causes unintended acceleration.

New GM stock catches eye of fund managers

By Curtis Vosti
STAFF WRITER

Institutional investors are intrigued with General Motors' proposed special convertible preferred stock offering that is expected to raise \$600 million.

The Preference Equity Redemption Cumulative Stock is awaiting clearance from the U.S. Securities and Exchange Commission. It would make available 16 million shares of a special GM stock that would pay a higher dividend than the common stock and could be converted one-for-one into shares of GM common stock three years from now. Those features would give investors downside protection.

But upside potential is limited: The stock can be called by GM on 15 days' notice at any time before July 1, 1994.

"It's an interesting concept," said Michael McCowin, principal and portfolio manager at Harris Bankcorp. of Chicago, which owned 1.5 million shares of GM as of Dec. 31, according to SEC fil-

PRODUCTION

U.S. CAR

	Week Ended June 8, 1991	Week Ended June 1, 1991	May Total	Jan. 1 to June 8, 1991	Jan. 1 to June 9, 1990
Horizon	0	0	0	0	4,327
Sundance	0	0	4,501	16,586	34,289
Accord	2,200	1,835	8,751	35,965	42,086
Total Plymouth	2,200	1,835	13,252	52,572	88,702
LeBaron A	0	0	0	0	9,325
LeBaron J	0	0	4,431	18,697	19,962
N. Yorker C-Class	0	132	745	3,251	18,028
Fifth Avenue	0	752	4,540	13,028	14,154
Imperial	0	158	911	3,114	7,570
Total Chrysler	0	1,842	10,627	38,080	80,859
Omni	0	0	0	0	4,078
Daytona	0	0	0	4,936	14,375
Shadow	0	0	5,011	19,149	39,701
Dynasty	0	2,656	15,323	49,965	51,577
Spirit	2,100	2,048	7,835	32,626	41,195
Total Dodge	2,100	4,704	28,169	118,286	150,926
CHRYSLER CORP.	4,300	7,581	32,048	200,860	300,687

Escort	5,767	0	14,849	82,512	93,150
Mustang	3,608	2,886	10,211	39,685	65,635
Ten	3,076	2,484	10,770	48,531	62,330
Taurus	9,451	7,510	38,241	148,376	165,462
Thunderbird	2,591	2,024	8,227	35,203	53,514
Total Ford Div.	24,493	14,900	82,298	358,367	448,891
Topaz	1,329	937	3,811	20,139	23,258
Cougar	1,729	1,363	6,101	26,245	35,397
Sable	3,181	2,296	11,443	47,531	48,292
Total Mercury	6,239	4,596	21,355	93,915	106,947
Continental	1,111	946	5,185	25,546	26,436
Mark VII	188	160	908	4,461	11,331
Town Car	2,613	2,222	12,219	60,094	74,645
Total Lincoln	3,912	3,328	13,312	68,101	112,412
Total L-M Div.	10,151	7,824	30,667	184,816	219,359
FORD MOTOR CO.	34,644	22,830	121,965	534,323	669,450

Skyline/Somerset	0	0	0	34,929	40,555
Century	2,390	2,546	11,133	39,152	30,755
Riviera	0	0	735	4,204	10,725
Electra/Park Ave.	2,905	2,330	13,056	45,753	15,570
LaSalle (nwd)	160	0	7,420	34,635	76,284
Roadmaster Wagon	330	260	940	10,156	3,857
Reatta	0	0	193	1,206	4,055
Total Buick	5,785	5,136	33,477	139,222	181,861
Eldorado	0	0	944	6,395	9,859
Seville	0	0	2,310	12,909	17,240
Brougham (nwd)	330	405	2,034	8,959	13,065
DeVille (nwd)	3,411	2,868	16,279	63,835	78,035
Atlante	64	51	282	1,382	1,712
Total Cadillac	3,805	3,324	21,849	94,230	119,919
Cavalier	6,090	4,143	23,737	121,610	147,039
Camaro	1,490	1,248	6,646	21,139	29,118
Corsica/Beretta	7,700	5,829	31,702	113,310	126,675
Caprice	3,205	2,939	14,647	62,007	94,276
Corvette	468	378	2,126	10,432	10,831
Total Chevrolet	18,953	14,534	78,858	328,498	407,930
Calais	0	0	0	34,615	44,836
Cutlass Ciera	1,578	1,774	8,806	33,746	35,680
Cutlass Supreme	2,305	2,034	10,820	47,163	38,324
Toronado	0	0	403	2,778	8,248
88 (nwd)	2,865	1,483	5,084	27,389	45,747
Custom Cruiser Wag.	275	121	520	4,749	2,295
98	1,789	1,095	6,105	33,481	26,152
Total Oldsmobile	8,812	6,500	31,730	184,822	281,282
Sunbird	3,092	2,100	11,985	55,975	68,723
Grand Am	0	0	13,617	67,060	89,965
Firebird	590	410	2,256	7,043	17,990
Grand Prix	2,438	2,401	10,258	44,048	50,118
Pontiac 6000	1,563	1,032	4,453	16,659	26,511
Bonneville	0	238	446	21,398	37,163
Total Pontiac	7,663	6,181	43,815	232,183	290,478
Total Saturn	2,131	1,640	8,525	29,248	0
GENERAL MOTORS	47,180	37,323	217,462	1,038,383	1,281,364

DIAMOND-STAR	3,160	2,496	13,783	98,744	63,980
Civic	2,080	1,185	8,408	41,213	55,089
Accord	7,465	5,788	32,545	159,607	142,391
HONDA	9,545	6,973	40,953	200,829	197,480
MAZDA**	2,450	2,463	13,988	85,282	78,962
NISSAN	2,685	2,121	11,806	61,750	45,190
Corolla	2,100	1,760	9,480	46,909	47,646
Geo Prizm/Novo	2,000	1,620	8,723	45,273	46,896
HUMMER	4,100	3,380	18,203	92,182	94,544
SUBARU-ISUZU	1,195	1,072	5,100	24,961	11,567
TOYOTA	4,325	3,473	19,956	98,527	98,963
TOTAL BIG 3	86,113	67,734	381,475	1,773,574	2,161,531
TOTAL TRANSPLANT	27,420	21,978	122,378	613,286	580,885
TOTAL CARS, U.S.	113,533	89,712	513,853	2,386,860	2,752,136
TOTAL CARS, CANADA	28,511	26,217	113,441	485,122	467,080
U.S., CANADA CARS	142,044	115,929	627,294	2,871,982	3,219,216

U.S., CANADA CARS AND TRUCKS	246,217	281,586	1,063,312	4,858,212	5,452,582
Monthly estimates may contain error of one or two units due to rounding.					
*Estimate **1990 totals reflect the LeBaron (nwd)					
1990 totals reflect Olds. 88 (nwd) *Total includes Olds. 88, 92, and Ford Probe					

CANADIAN CAR

	Week Ended June 8, 1991	Week Ended June 1, 1991	May Total	Jan. 1 to June 8, 1991	Jan. 1 to June 9, 1990
Monaco	720	769	1,136	3,168	5,132
Premier	555	541	1,022	4,321	2,808
CHRYSLER CORP.	1,275	1,310	2,158	7,489	7,940
Tempo	3,702	2,990	12,603	50,823	58,602
Topaz	999	1,282	5,372	15,967	21,589
Crown Victoria	1,513	1,492	7,546	39,231	55,602
Grand Marquis	2,807	2,144	10,766	38,044	51,217
FORD MOTOR CO.	9,021	7,908	36,289	144,085	165,410
Celebrity	0	0	0	0	12,631
Cutlass Ciera	2,003	1,925	8,129	30,470	37,452
Lumina	7,045	6,358	25,498	96,103	99,205
Regal	3,237	2,856	12,487	51,986	35,461
GENERAL MOTORS	12,285	11,129	46,114	181,291	184,749
CANIT	2,000	1,970	10,250	55,158	0
HONDA†	2,289	2,216	10,963	48,440	47,519
HYUNDAI	156	79	1,520	13,986	8,561
TOYOTA	1,400	1,415	6,255	30,651	27,270
VOLVO	180	180	792	3,922	4,831
TOTAL CARS, CANADA	28,511	26,217	113,441	485,122	467,080

U.S. TRUCK

Caravan	3,400	2,321	11,213	49,650	51,460
Dakota	2,000	1,607	9,692	34,771	34,078
Caravan CV	200	92	453	2,098	3,147
Ram pickups	2,000	1,615	9,709	34,730	50,335
Total Dodge	7,600	5,635	31,067	121,249	139,020
Cherokee	4,200	4,188	14,333	53,677	76,150
Comanche	100	121	412	2,346	3,596
Grand Wagoneer	0	266	819	1,023	2,673
Wagoneer/Brianwood	50	46	152	1,261	1,819
Total Jeep	4,350	4,621	15,725	58,307	84,238
Voyager	4,300	1,820	8,607	41,398	48,807
Town & Country	100	70	325	1,535	1,565
Total C-P Div.	4,400	1,890	8,932	42,933	50,372
CHRYSLER CORP.	16,350	12,146	55,724	222,489	273,630
Aerostar	4,950	3,565	18,461	68,471	92,121
Bronco	342	493	1,707	5,764	24,618
Bronco II/Explorer	6,773	4,406	25,432	122,941	70,269
Navajo	122	137	868	5,536	0
Econoline	4,133	3,218	3,458	57,062	90,047
Medium/Heavy	1,034	825	3,489	16,204	24,302
Light trucks	4,989	7,267	33,440	121,844	209,626
Ranger	6,596	4,867	27,589	112,616	135,467
Total Ford Div.	28,919	24,778	124,424	518,438	646,458
FORD MOTOR CO.	28,919	24,778	124,424	518,438	646,458

Astro	2,764	2,094	11,605	44,304	52,946
Blazer	226	167	884	3,471	7,913
Lumina APV	1,365	1,028	5,536	17,560	45,026
Medium/Heavy	152	152	0	1,674	4,411
Model	518	343	1,705	7,292	11,462
Pickups	6,487	5,548	34,745	111,842	158,210
S10	5,762	3,775	27,963	113,004	105,499
S11 Blazer	2,013	1,440	2,399	20,281	60,690
Suburban/Van	900	557	4,086	18,484	31,629
Suburban	928	557	2,646	11,385	30,635
Total Chevrolet	21,115	15,887	91,580	348,487	388,421
Jimmy	55	34	154	989	2,525
Medium/Heavy	195	291	0	3,657	7,581
P-Model	46	53	195	1,365	1,386
Pickups	2,013	1,500	11,893	48,991	55,935
S15/Sonoma	498	356	5,239	23,458	25,515
S15 Jimmy	1,507	1,641	911	8,739	19,156
Safari	944	492	1,858	18,588	18,924
Suburban	489	40	2,590	10,747	14,352</

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cov. 1, Pgs: 2, 4, 28, 39,

42, 46, 47

Automotive News

June 17, 1991

©Entire contents copyright 1991, by Crain Communications, Inc. All rights reserved.
Reproduction or use of editorial content in any manner without permission is strictly prohibited.

66th year—\$70.00 per year, \$2.00 per copy

Orbital seeks 'front' to raise CAFE

Firm recruits groups to thwart Big 3

By David Barkholz
CRAIN NEWS SERVICE

Orbital Engine Co. USA has secretly enlisted environmentalists to "front" for it in fighting for tough, new fuel-economy standards.

Orbital, the American subsidiary of Australian Ralph Sarich's two-stroke engine company, is trying to keep the effort quiet so it doesn't alienate its key U.S. customers: Ford Motor Co. and General Motors.

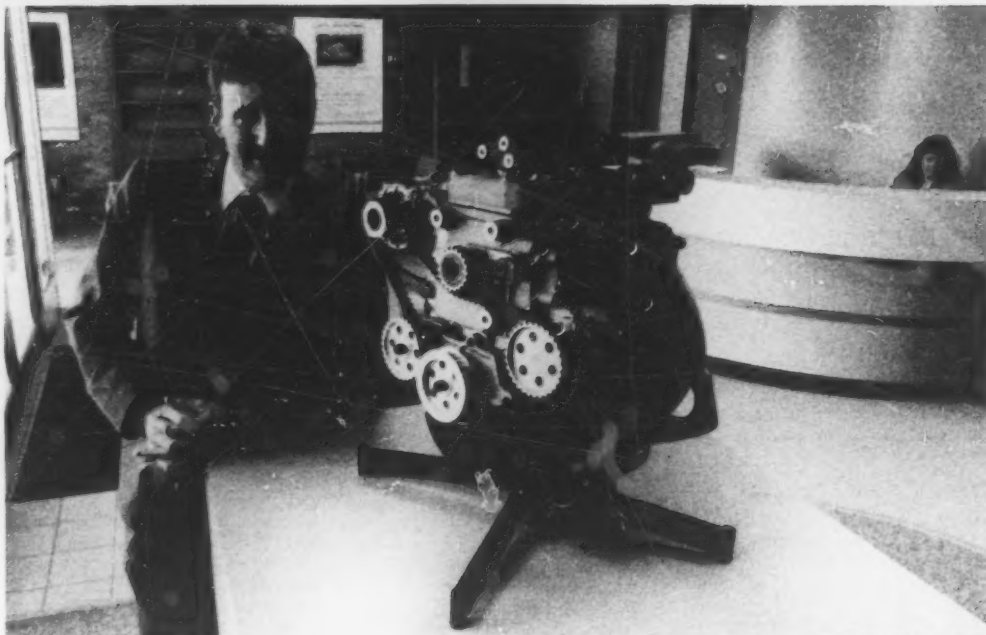
A Washington consultant for Orbital is suggesting to environmentalists that the automakers have downplayed or misrepresented the advantages of Orbital technology in order to fight increases in corporate average fuel economy rules.

"Orbital has been politely warned off trumpeting its breakthrough by its licensees/clients Ford and GM," consultant Anthony Stout wrote in a memo to one influential environmentalist.

Stout's information has already been forwarded to the Sierra Club, Greenpeace and the Natural Resources Defense Council in New York.

The strategy could peril Orbital's standing with Ford and GM.

Crain's Detroit Business, a sister publication to Automotive News, learned of Orbital's efforts to shape congressional debate on fuel-economy standards by obtaining copies of memos written by Stout to Washington environmental consul-



"It will take two to three months to crank up a big environmental group to 'discover' Orbital and then front for you. Their fronting is important to preserve your relationship with your customers."

— Orbital adviser Anthony Stout in a May 16 memo to Ken Johnsen (above), chairman of Orbital Engine Co. USA.

tant Roger Craver and to Orbital USA Chairman Kenneth Johnsen.

Stout works for Government Investment Management Corp., a Washington-based consulting firm. In one of the memos to Johnsen, he describes himself as "your government advisor."

Congress is debating whether to

increase CAFE standards from the current 27.5 mpg.

Stout is recruiting environmentalists to push that average higher, arguing that Orbital's newest engine developments offer much higher fuel efficiency than current four-stroke engines.

But the Orbital engine has yet to

undergo rigorous federal testing for fuel economy and emissions over a long period.

Support for radical increases in CAFE — especially a bill sponsored by Sen. Richard Bryan, D-Nev., has begun to run out of steam on Capitol Hill as the automakers

see ORBITAL, page 5

2-stroke maker has fan club in Washington

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Although it hasn't yet found an environmental group to "front" for it, Orbital Engine Co. USA has already gained support from consumer groups in Washington.

And environmentalists have hopes for two-stroke technology as the "silver bullet" that could allow automakers to meet much higher fuel economy standards without reducing the size of cars.

In April, Clarence Ditlow, director of the Ralph Nader-affiliated Center for Auto Safety, used Orbital in a well-publicized report on how fuel economy improvements of 40 percent can be achieved without sacrificing safety or auto size — a claim vigorously disputed by Orbital customers General Motors and Ford Motor Co.

Ditlow's report used a conservative estimate that a two-stroke engine would yield only a 2-3 percent improvement. He said Orbital met with environmentalists in Washington six months ago.

Orbital's claims to have developed a two-stroke that meets strict new emission regulations and also improves fuel economy by 30 percent is the kind of ammunition that U.S. Sen. Richard Bryan, D-Nev., could use to get his proposed 40

see FAN CLUB, page 5

Questionnaire leads off minivan dumping battle

By Kristine Stiven Brees
AUTOMOTIVE NEWS STAFF REPORTER

The first deadline in the minivan dumping case hits Tuesday when all nine Japanese importers have to return a 41-page questionnaire to the International Trade Commission in Washington. The document asks for detailed information about importation and sales of minivans, full-sized vans, station

Toyota, Kume deny dumping, Page 44

wagons and sport-utilities.

If the trade commission investigation reveals that the Japanese dumped minivans at unfairly low prices and that the Big 3 suffered because of it, tariffs could be imposed on minivan imports.

The Japanese companies seem to be clear on the seriousness of the charges and the political pressure involved, but they reject the premise of dumping petition.

"It's hard to make an argument that you're being injured when you've got 90 percent of the market," said Richard Recchia, chief operating officer of Mitsubishi Motor Sales of America Inc. "Secondly, the two vehicles that they're focusing on, the (Mazda) MPV and the Toyota (Previa), are higher priced than the domestics."

At Mazda, a group of Japanese and American executives huddled behind closed doors last week with attorneys peering over the document.

Mazda's official statement was

see DUMPING, page 44



Corolla Sedan SE-G, a right-hand model Toyota will market in Japan.

Toyota shows restyled Corolla

Toyota Motor Corp. last week introduced a longer, wider and fully restyled Corolla series that will offer the industry's first production four-cylinder engine with 20 valves. Making 160 horsepower, the in-line 1.6-liter engine tops a range that includes 1.3- and 1.5-liter variants, and a 2-liter diesel.

The car will retail in Japan for between 898,000 yen and 2.2 million yen (about \$6,415 to \$15,765). It is expected to debut in September 1992 in the U.S. market, along with the redesigned Geo Prizm, the GM version based on the Corolla. Corolla and Prizm are expected to be built at the NUMMI plant in California.

The new Corolla sedan is larger than the current model. The car measures 170.8 inches in length, is 67.4 inches wide and 55.2 inches high. The wheelbase is stretched nearly three inches, to 98.6.

Asians restrain franchise gains after '80s binge

By Kristine Stiven Brees
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — During the go-go 1980s, Asian makers were as aggressive adding dealers as they were introducing products. But now, like so many things that slowed with the turn of the decade, most Asian companies selling vehicles in the United States have scaled back on dealer expansion.

After increasing nearly 10 percent annually in the late 1980s, the number of Asian franchises grew only 4 percent last year. If early 1991 trends continue, that number will increase less than 2 percent this year.

A survey of the nine Japanese companies, their three luxury divisions and the one Korean carmaker

see DEALERS, page 43



**Hyundai's plans: Page 43
12 Japanese brands: Page 42**

BETHESDA
4520 EAST-WEST HWY STE 8
CONGRESSIONAL INFO SERV
ACG EDITOR SRI
ACG EDITOR
#030322908 2#01N12451
VDR 66 15421N12451
#BX8BDDJ*****5-DIGIT 20814

June starts with pop
For the first time this year, a month starts with momentum. Car and truck sales for June 1-10 were up 3.5 percent. Page 4.

Bricklin ordered to pay \$17 million to backers

By Charles M. Thomas and Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTERS

A federal judge has ordered Malcolm Bricklin to pay \$17.3 million to a Maryland couple who invested \$350,000 in a company founded by the flamboyant automobile entrepreneur that they believed would import the ill-fated Yugo as well as exotic Italian sports cars.

The multi-million dollar award against Bricklin for fraud and



Bricklin: plans appeal

breach of contract in U.S. District Court for the Southern District of New York results largely from Bricklin's failure to defend himself after his attorney was disbarred for reasons not pertaining to this lawsuit.

Bricklin last Friday called the order a "joke," saying he would appeal the judge's ruling. He didn't defend himself, he says, because going to court in New York is too costly.

But lawyers for the plaintiffs said they will try to collect from Bricklin even though they are uncertain of his whereabouts.

Bricklin recently moved from his Meeker, Colo., ranch to Scottsdale, Ariz. A recording at his phone number gives a post office box for all correspondence, and records messages.

In 1983, John and Rebecca Bednarik invested in a venture led by Bricklin to import Italian sports cars — the Pininfarina Spider and Bertone — and recruit dealers to sell the vehicles.

According to the lawsuit, the venture also included plans to import and sell a lower-priced vehicle for the Bednariks to distribute.

But in 1985 Bricklin formed Yugo of America Inc. to distribute the Yugoslavian subcompact, leaving the Bednariks on the sidelines.

"The Bednariks' claims are false and have no merit," said Bricklin. "I chose not to defend myself against their blatant lies in New

York and in the end they will get what they deserve — nothing."

He said mounting a defense in New York would cost a fortune in legal fees. "We will win on appeal," he said. "We didn't even defend ourselves because it would cost too much to win in New York."

Bricklin said the firm he started in 1983, International Automobile Importers Inc., did import Italian sports cars, which were distributed

● I chose not to defend myself against their blatant lies in New York and in the end they will get what they deserve — nothing. ●

Malcolm Bricklin
Auto entrepreneur

by the Bednariks, but that the Yugo was never part of that plan.

"We had never even heard of the Yugo in 1983," he said.

Still, the Bednariks say Bricklin financed negotiations to import Yugos with assets from International Automobile Importers, in which the Bednariks had invested.

The Yugos were initially successful and Bricklin paid himself royalties of more than \$9 million for Yugos sold through dealers the Bednariks had recruited, according to their attorney, David U. Fierst from the Washington firm of Stein, Mitchell and Mezzines.

Fierst contends the Bednariks had a five-year contract with Bricklin that he breached. Bricklin says the Bednariks breached it by failing to buy the agreed number of Italian cars.

The Bednariks sued, claiming that failure of International Automobile Importers to deposit required sums of money and import

see BRICKLIN, page 46



Volvo goes front-wheel drive

Volvo Car Corp. last week took the wraps off its new 850-GLT in Europe, but the sedan will not be sold in the United States until the fall of 1992. Although the 850 bears a close family resemblance to its 940/960 big brothers, it is an all-new model below the skin. A front-wheel-drive layout permits more interior space than the 900 series despite shorter overall length. The 850-GLT incorporates several technological innovations including a new transversely mounted, 2.5-liter, 20-valve in-line five-cylinder engine. The light alloy, twin-cam engine is from the same family as the in-line six introduced last fall on the 960.

Ford of Europe stokes r&d fires

Halstead aims to recapture customers with faster model changes

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, Germany — Ford of Europe, jarred by a Europe-wide loss of share last year and an 88 percent skid in profit, will pour \$15 billion into new products and research and development by 1995 in a bid to woo back buyers with an upgraded model line.

Ford has four all-new models set to bow in Europe by the mid-1990s and will have new powertrains by that time, the fruits of a separate development program.

But many analysts say the new products are already late or dated, an assessment increasingly shared by senior management. At a meeting in Cologne, Germany, late last month, Ford of Europe Chairman Lindsey Halstead ordered his lieutenants to slash new-product development time to four years from five or more now, or face the prospect of falling even farther down the sales ladder.

To be sure, the automaker was hit hard last year by a severe recession, strikes and falling market share in its best market, the United

Kingdom; a disappointing launch last fall of its top-volume Escort; and the continuing cash drain of its Jaguar unit, which Ford acquired for \$2.5 billion in late 1989.

Sales slipped 3.1 percent, and the automaker surrendered its fourth-place share of market to archrival General Motors, although it has since recovered.

Net income slid to \$145 million last year from \$1.19 billion in 1989 as Ford's largest European unit, Ford of Britain, posted a pre-tax loss of £274 million pounds (about \$443 million at current rates), its first deficit in almost 20 years.

And late last week, Ford Werke AG, the German unit, reported that its 1990 earnings fell 25 percent, to 270 million marks (about \$152 million), despite a slight increase in revenue.

But analysts point out that even though Ford's sales and profits were hammered by special factors last year, the automaker historically has relied on long product cycles to sustain its profits. And that strategy has now come home to roost as consumers spurn its

aging lineup for newer products elsewhere, they contend.

"The malaise goes deeper" than labor problems or Jaguar's losses, the London-based Automotive Research Unit says in a newly issued report. Rather, it says, Ford's problems stem from "a model range which is looking increasingly tired, at a time moreover when some of Ford's archrivals are looking fresh and exciting."

Beyond a doubt, Ford is playing product catch-up in Europe. At the Frankfurt auto show in September, it will unveil a station wagon version of the Scorpio — six years after the original five-door body-style was introduced. A four-door Scorpio sedan was not unveiled until last year.

Ford also was several years late with a notchback version of the Sierra. Worse, it has not responded to GM Europe's snappy Opel/Vauxhall Calibra coupe — even though its Capri once dominated the segment.

"Their cycle is out of kilter with their major competition," said analyst SEE EUROPE, page 47

INDEX

Auction ads	32-33	Letters	14
Auction dates	38	Obituaries	30
Classifieds	34-38	Opinion	12
Dealing with dealers	29	Personnel	40
Incentive watch	46	Production	47
Inventories	39	Sales, Canada	39
Keith Crain	12	Sales, imports by model	28
Late news	8	Sales per dealer	4
Legal briefs	30	Sales, 10-day	4

66th year—No. 5398

Advertising Production Department (313) 446-6063
Circulation Department
In Michigan (313) 446-0480
Outside Michigan 1-800-992-9670
Classified Ad Department (313) 446-6065
Display Ad Department (313) 446-6030
Editorial & Business Offices (313) 446-6000

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207-3187. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 966 E. Jefferson, Detroit, MI 48207-3185.

Correction

A story in the June 10 issue should have said the pickup proposed by Kelpie North America Holdings Ltd. would be built on a Kelpie-designed and engineered chassis, rather than on a Dodge Dakota chassis.

GM eliminates deductible on warranty

By Dale Jewett
AUTOMOTIVE NEWS STAFF REPORTER

General Motors upped the ante in the customer satisfaction game last week by eliminating the \$100 deductible from its warranty coverage for all 1992 cars and light trucks.

The change puts GM on par with the large Japanese and European automakers, which have pursued a policy of comprehensive warranties with no deductibles.

There was no immediate rush by Ford Motor Co. and Chrysler Corp. to respond in kind, but a Ford spokesman said the company was studying the move.

The revised "Bumper to Bumper Plus" warranty will cover Chevrolet, Pontiac, Buick, Oldsmobile and GMC vehicles for three years or 36,000 miles, whichever occurs first. While the change eliminates the deductible, it also trims the mileage limit from 50,000 miles.

GM's six-year/100,000-mile corrosion and five-year emissions system warranties are unchanged.

In announcing the change, GM

President Lloyd Reuss cited customer preference for no-deductible warranties offered by Saturn Corp. and Cadillac.

Saturn buyers are covered by a three-year/36,000-mile warranty. Cadillacs carry a four-year/50,000-mile warranty. The Allante luxury convertible carries a seven-year/100,000-mile warranty on major assemblies.

"Customers responded very favorably in surveys after Cadillac dropped its deductible in 1990," Reuss said.

Since 1989, GM's standard warranty coverage has been three years/50,000 miles, but customers were charged a \$100 deductible on repairs after 12 months/12,000 miles.

Ford offers a 12-month/12,000-mile warranty with no deductible on all Fords and Mercurys, and a four-year/50,000-mile powertrain warranty. All Lincolns carry a four-year/50,000-mile warranty with no deductible.

In May, the Ford Dealer Council urged Ross Roberts, the division's

new general manager, to adopt a three-year/36,000-mile warranty with no deductible for 1992 products. The council said the current warranty trails industry standards.

Chrysler spokesman Tom Jakobowski said the company is satisfied with its current warranty coverages, which are divided between vehicle warranties and powertrain warranties. The powertrain warranties have a \$100 deductible.

Most domestically built Chrysler cars carry a 12-month/12,000-mile warranty; large luxury cars and the Town & Country minivan are covered by a five-year/50,000-mile warranty; captive imports have three-year/36,000-mile coverage.

The \$100 deductible with Chrysler's seven-year/70,000-mile powertrain warranty applies only after the basic warranty expires, Jakobowski said.

"For us, the deductible has been a non-issue," Jakobowski said. "When you consider the cost of some engine and transmission repairs, customers don't mind the \$100 compared to the full bill."

Car-truck sales post year's 1st 10-day gain

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

With General Motors leading the way, 10-day car and truck sales topped last year's for the first time in 1991. Every GM division posted a gain.

Industry sales of 311,015 domestic and imported cars and light trucks were up 3.5 percent. The increase was stronger for light trucks, which were up 6.9 percent. Cars rose 1.7 percent. There were eight selling days in the June 1-10 period, the same as last year.

Tom Webb, chief economist for the National Automobile Dealers Association, characterized early June sales as "very encouraging." He said increases by GM and Toyota "support anecdotal evidence from dealers that we have indeed reached a turning point and that a modest recovery is now under way."

GM sold 129,833 cars and light trucks for the period, an increase of 14.8 percent.

As has been typical of 1991's bright spots, though, stronger sales were in comparison to a weak 1990 period. Last year, GM's domestic car sales fell 29.1 percent from 1989.

Terrence P. Sullivan, GM's manager of sales reporting, expressed "cautious optimism" about the results, which he attributed in part to strong fleet sales. "We would have to see several of these 10-day periods strung together before we could make a serious evaluation of where and when the industry will break out of the sales slump," he said.

Ten-day sales for Buick rose 58.4 percent. Buick has consistently performed better than other domestic makes this year.

Ford Motor Co. sales slipped 3.3 percent and Chrysler Corp.'s were down 4.1 percent. *Automotive News* estimates 10-day sales for Chrysler and for most imports.

Sales were up 25.8 percent for Toyota Motor Sales U.S.A. Inc. (Toyota-Lexus). American Honda Motor Co. Inc. (Honda-Acura) reported a 10.5 percent decline.

10-DAY CAR AND TRUCK SALES, BY MAKE

	June 1-10 1991	June 1-10 1990
ALFA ROMEO (imp. car)*	74	38
Acura (imp. car)	3,183	2,918
Domestic car	10,321	9,054
Imported car	2,731	6,160
Honda	13,052	15,214
AMERICAN HONDA	16,235	18,132
ASTON MARTIN (imp. car)*	1	1
BMW (imp. car)*	887	1,149
Domestic car	3,426	5,982
Imported car	19	72
Domestic truck	110	55
Chrysler Division	3,554	6,105
Domestic car	6,619	7,092
Imported car	760	432
Domestic truck	12,417	11,713
Imported truck	79	210
Dodge	19,875	19,447
Domestic car	1,535	882
Imported car	157	274
Eagle	1,082	1,156
Domestic truck	4,796	4,479
Jeep	4,796	4,479
Domestic car	3,920	5,230
Imported car	317	369
Domestic truck	4,577	3,619
Plymouth	8,814	9,218
Domestic car	15,499	19,186
Imported car	1,254	1,148
Domestic truck	21,900	19,865
Imported truck	79	210
CHRYSLER CORP.*	38,731	40,409
Imported car	100	144
Imported truck	49	91
DAIHATSU	149	235
FERRARI (imp. car)*	16	16
Domestic car	27,449	28,836
Imported car	919	933
Domestic truck	33,103	33,184
Ford Division	61,471	62,153
Domestic car	6,836	6,312
Lincoln	6,836	6,312
Domestic car	4,738	7,081
Imported car	1,201	466
Mercury	5,938	7,547
Domestic car	39,023	42,229
Imported car	2,120	1,399
Domestic truck	33,103	33,184
FORD MOTOR CO.	74,246	76,812
Domestic car	15,434	9,744
Buick	15,434	9,744
Domestic car	6,187	5,401
Cadillac	6,187	5,401
Domestic car	36,737	32,327
Imported car	3,168	3,768
Domestic truck	32,015	28,727
Imported truck	1	16
Chevrolet	71,921	64,838
GMC	7,176	6,936
Domestic car	11,346	11,447
Domestic truck	793	522
Oldsmobile	12,138	11,969
Domestic car	13,298	12,891
Imported car	983	581
Domestic truck	1,127	721
Pontiac	15,408	14,193
Domestic car	1,568	0
Saturn	1,568	0
Domestic car	84,570	71,810
Imported car	4,151	4,349
Domestic truck	41,111	36,906
Imported truck	1	16
GENERAL MOTORS	129,833	113,081
HYUNDAI*	1,847	2,864
Imported car	379	67
Domestic truck	1,298	262
Imported truck	1,842	1,984
ISUZU*	3,518	2,313
JAGUAR (imp. car)*	185	315
LAMBORGHINI (imp. car)*	3	3
LOTUS (imp. car)*	5	5
MASERATI (imp. car)*	4	4
Domestic car	734	728
Imported car	2,937	3,186
Domestic truck	209	0
Imported truck	2,352	2,942
MAZDA*	8,232	6,856
MERCEDES-BENZ (imp. car)*	1,129	1,317
Domestic car	1,680	1,180
Imported car	1,602	1,963
Imported truck	383	719
MINISUBISHI*	3,665	3,863
Infiniti	557	423
Domestic car	1,874	1,517
Imported car	4,554	6,035
Domestic truck	2,061	1,922
Imported truck	2,972	2,748
Nissan	11,461	12,222
NISSAN MOTOR CORP.	12,817	12,445
PEUGEOT (imp. car)*	80	89
PORSCHE (imp. car)*	97	182
RANGE ROVER (imp. truck)*	45	73
ROLLS-ROYCE (imp. car)*	10	20
SAAB (imp. car)*	350	386
STERLING (imp. car)*	39	64
Domestic car	929	212
Imported car	818	1,310
SUBARU	1,747	1,522
Imported car	112	103
Imported truck	314	285
SUZUKI*	426	388
Lexus (imp. car)	1,506	831
Domestic car	4,943	3,842
Imported car	5,316	4,559
Imported truck	4,293	3,537
Toyota	14,552	11,938
TOYOTA MOTOR SALES	16,058	12,769
Audi (imp. car)*	256	412
Imported car	1,975	2,869
Imported truck	137	162
Volkswagen*	2,112	3,831
VW*	2,368	3,443
VOLVO*	1,347	1,877
YUGO (imp. car)*	23	122
Domestic car	158,574	148,758
Imported car	30,292	45,887
TOTAL CAR	198,866	194,645
Domestic truck	99,682	92,140
Imported truck	12,467	12,788
TOTAL TRUCK	112,149	104,928
TOTAL CAR & TRK.	311,015	300,474

*Estimated
†Breakdown of North American built and imported car sales not available.
There were 8 selling days in the period this year and 8 last year.

Chrysler, Cummins widen turbodiesel use

By Joseph Bohn
TRUCK EDITOR

Chrysler Corp. will sign a new six-year contract this week with Cummins Engine Co. of Columbus, Ind., giving it exclusive rights to Cummins' B-series six-cylinder turbodiesel engine for Dodge pickups under 16,000 pounds gross vehicle weight.

As part of the contract that runs through 1997, Chrysler also is expected to get exclusive rights to the engine for its sport-utilities, though this was still being negotiated last week, according to Chrysler insiders.

The contract leaves the door open for Cummins to supply Ford Motor Co. in medium- and heavy-duty trucks, but protects Chrysler in the light-duty segments where it competes.

Dodge dealers have worried about losing one of their most successful products ever since Ford purchased a 10 percent interest in Cummins last July with an option to increase that to 20 percent.

Their fears were exacerbated recently when Chrysler explored alternatives to the Cummins engines. Chrysler officials held talks with, among other people, Roger Penske, chairman of Detroit Diesel Corp., who has been seeking to expand sales of the light-duty Phaser engine that the company distributes.

The new contract will allay such concerns and give Chrysler a predictable source of engines for, among other products, the new T-

300 line of full-sized pickups due in the 1994 model year.

Chrysler sold 30,000 pickups with turbodiesel engines in the 1990 model year, and will sell about 44,000 in the 1991 model year, according to estimates made earlier this year by Troy Simonson, Chrysler's product planning manager.

Company insiders project 50,000 sales for the 1992 model year when the engine becomes available in extended-cab, as well as regular cab, models of the D-250, D-350, W-250 and W-350 series.

The company does not now plan to offer the diesel in sport-utilities. Its full-sized Ramcharger is basically an under-8,500-pound gvw vehicle, and Cummins is only certified for applications over that gvw limit.

But that could change. The company has been looking at trends in the diesel engine market, and one of them is General Motors' plan to offer its 6.5-liter turbodiesel in sport-utilities and vans during the 1993 to 1995 model years.

Ford will continue using the 7.3-liter diesel it has been buying from Navistar International Corp. Navistar has been working on an upgrade of that engine, with turbocharging, to meet the new emissions standards that took effect in January 1991.

The upgraded engine is expected to become available in Ford trucks by March or April, according to Ford sources.

Toyota is tops in sales per dealer; Saturn, Honda share car honors

A substantial swing in Toyota's month-to-month fortunes propelled the No. 1 Japanese brand to a 10-unit lead in the *Automotive News* sales-per-dealer calculation for May.

The average Toyota dealer's May score of 78 units comprised 57 cars and 21 trucks. In April, when they sold 68 vehicles on average, Toyota dealers' total sales were half a percentage point worse than the overall automotive market compared to the year earlier, and in May they were 3.3 points ahead of average.

Honda and Saturn, neck-and-neck for the second straight month, sell only cars, and they lead that category at 68 each. Ford dealers sold more trucks per capita than anyone else, at 25 units.

Saab dealers, who sold at a torrid pace in March and April, fell back to a more normal level in May, the average dealer moving just five units, down from 12 a month earlier.

Metropolitan Motorcars in Marlow Heights, Md., was close to the Saab average for both months, selling four cars (all 900s) in May and nine in April. The store also sells Mercedes-Benz, Porsche, Audi and Subaru.

Saab "just about sold out their stock" during a two-month promotion of 2.5 percent financing on the 900 that ended after April, said general sales manager Rich Jensen. He predicted 900 buyers would be back when inventory becomes available. "Saab owners are loyal," he said. "They'll wait."

—William R. Dlem

U.S. CAR AND LIGHT-TRUCK SALES PER DEALER

Make	Cars	Trucks	May Total	April Total
Toyota	57	21	78	60
Saturn	68	—	68	58
Honda	68	—	68	58
Chevrolet	25	22	47	41
Ford	21	25	46	43
Acura	46	—	46	41
Nissan	31	13	44	43
Lexus	42	—	42	38
Mazda	25	13	38	35
Infiniti	33	—	33	29
Mitsubishi	26	4	30	37
Dodge	11	14	25	21
Hyundai	20	—	20	20
Isuzu	3	16	19	16
Pontiac	17	1	17	16
Buick	17	—	17	16
Volvo	17	—	17	18
VW	14	1	15	13
Mercedes	14	—	14	13
Mercury	13	—	13	13
Oldsmobile	12	1	13	12
Cadillac	12	—	12	10
BMW	12	—	12	13
Lincoln	12	—	12	9
GMC	—	12	12	10
Plymouth	6	5	11	9
Subaru	11	—	11	14
Jeep	—	10	10	9
Suzuki	2	5	7	6
Saab	5	—	5	12
Chrysler	4	0	4	4
Jaguar	4	—	4	6
Audi	4	—	4	3
Eagle	4	—	4	3
Range Rover	—	3	3	4
Daihatsu	2	1	3	4
Porsche	2	—	2	2
Peugeot	2	—	2	2
Sterling	2	—	2	2
Alfa Romeo	2	—	2	2
Yugo	1	—	1	1

Ford wants happy Explorer, Capri owners

By Kathy Jackson
AUTOMOTIVE NEWS STAFF REPORTER

Ford Motor Co. has extended to owners of Ford Explorer and Mercury Capri models a policy of paying up to \$200 if they have service difficulties with their vehicles.

The cash payment policy had been restricted to Lincoln owners.

Owners of Explorer, Capri and Lincoln can get up to \$200 to cover services such as car rentals or towing while their vehicles are out of service. Lincoln owners have had this benefit since September.

Says Al White, manager of Ford's owner relations operations department: "From a competition standpoint and what these owners pay and mean to us, the analogy is like travelers flying first class or coach on an airplane."

White says all Ford owners get good service, "but the level of service is a little different."

Explorer owners were added to

Explorer and Capri owners can get up to \$200 to cover such expenses as a rental car or towing.



the elite list because of strong sales and the fiery competition in the sport utility category. Through May 31, Ford had sold 99,288 Explorers, compared to 49,819 combined sales of the Explorer and its predecessor, the Bronco II to this point last year. The Explorer was introduced last April and is one of the top 10 selling vehicles in the United States for the calendar year through May.

White says the Australian-built

convertible Capri has attracted a different type of customer. For the first five months of the year, L-M dealers sold 7,995 Capris.

When these owners call White's department via an 800 number, customer service representatives can approve the \$200 on the spot.

White says \$200 to keep a current customer happy is money well spent. "We're spending \$2,000 on incentives just to get new people through the door," he said.

Import sales fall 16% in May, much steeper than U.S. dip

By Kristine Silven Brees
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — Sales of imported cars fell 16.2 percent during May. That compares with a decline of 10.2 percent for domestic cars and 11.8 percent for domestics and imports combined.

Double-digit drops were more the rule than the exception. Hyundai's Excel sales fell 53.8 percent and its Sonata plunged 41.6 percent. Both the Audi 80 and 90 dropped more than 70 percent. The Jaguar XJ6 and XJ-S each fell more than 60 percent, as did the Volvo 700 series.

The Infiniti Q45 dropped 31.0 percent. And the M30, even with the addition of a convertible, fell 7.3 percent to 506 units. Dealers say they could sell more convertibles if they were available.

The Toyota Supra went down 48.0 percent, and the MR2 dipped 41.2 percent. After some strong months, the Nissan Stanza fell 35.1 percent.

In spite of the generally grim picture, there were some bright spots. A number of new models en-

tered the marketplace and met with reasonable success, although sales will have to pick up if companies expect to reach stated goals.

Acura sold 1,301 of its new Vigor models, and Mitsubishi sold 1,668 Diamante sedans.

Honda's Accord was the country's best-selling nameplate in May with 39,654 sales, U.S.-built and imported. Like other Japanese companies that are putting more emphasis on U.S. production, Honda is selling more U.S.-built cars and fewer of the corresponding Japanese-built models. In May, 14.3 percent of the Accords sold were imported; a year ago, 31.7 percent were.

Nissan is doing the same with its Sentra. Domestic sales were up 37.6 percent; import sales fell 61.6 percent.

The Subaru Legacy is another example. Last year Subaru sold only 579 U.S.-built units in May out of total sales of 2,193. This year, 3,598 of the 4,703 Legacies sold were U.S.-built. Legacy sales were up 114.5 percent.

IMPORT SALES BY MODEL

	May 1991	May 1990	5 Mos. 1991	5 Mos. 1990		May 1991	May 1990	5 Mos. 1991	5 Mos. 1990
ACURA	13,906	13,782	57,767	58,109	300SEL	131	322	548	1,603
Integra	6,233	8,076	30,055	34,980	420SEL	493	605	1,576	2,793
Legend	6,120	5,716	25,200	23,129	560SEL	278	377	963	1,986
NSX	252	0	1,019	0	SL Coupe	800	780	3,571	3,609
Vigor	1,301	0	1,493	0	560SEC	56	163	259	745
ALFA ROMEO	370	148	1,680	984	Tourist	74	215	210	517
Milano	1	4	2	22	MERCUARY	4,563	891	26,832	7,878
Spider	149	144	686	882	Tracer	2,654	555	18,637	5,256
164	220	0	992	0	Capri	1,909	0	7,995	0
ASTON MARTIN	5	5	25	25	XR4Ti	0	0	0	198
AUDI	1,280	2,060	4,909	8,526	Scorpio	0	336	0	2,424
5000	0	1	0	11	MITSUBISHI	8,069	9,817	37,581	52,489
80	138	469	880	1,874	Starion	0	1	0	12
90	82	343	605	1,442	Diamante	1,668	0	1,688	0
V8 Quattro	36	154	235	703	Mirage (Import)	2,210	4,230	13,782	29,396
Coupe Quattro	28	100	158	385	Mirage (Domestic)	1,446	0	7,895	0
100/200	933	820	2,631	3,378	Galant	2,714	4,865	15,058	19,077
100/200 Quattro	63	173	400	733	Sigma	18	268	110	978
BMW	4,437	5,746	19,833	26,062	Precis	77	361	1,060	2,524
3 series	2,138	2,885	9,707	12,314	3000GT	1,306	0	5,724	0
5 series	1,614	1,979	7,167	9,605	Wagon	16	92	159	92
635 CSi	2	20	6	184	NISSAN	22,788	30,175	93,380	140,425
7 series	482	726	1,771	3,499	Sentra (Import)	1,907	4,967	8,982	31,718
850i	126	0	931	0	Sentra (Domestic)	11,732	8,527	51,075	39,173
M3	41	79	174	354	Pulsar	5	382	25	3,122
M5	34	57	177	100	NX	733	0	1,813	0
M6	0	0	0	6	Stanza	5,677	8,744	27,126	29,532
CHEVROLET/Geo	10,589	13,650	37,503	57,620	Maxima	9,513	8,556	35,729	43,057
Geo Storm	9,455	9,680	32,158	46,663	240SX/200SX	3,348	5,088	12,733	20,842
Geo Metro (Import)	1,134	3,970	5,345	10,957	300ZX	1,321	2,120	5,870	9,963
Geo Metro (Domestic)	4,699	2,885	28,247	7,126	Hawaii	264	318	1,102	1,481
CHRYSLER MOTORS	6,271	5,738	25,454	26,725	PEUGEOT	299	443	1,818	2,621
Coit	2,838	3,568	10,568	14,638	PONTIAC LeMans	3,343	4,622	14,005	14,366
Conquest	0	65	0	728	PORSCHE	483	911	2,832	4,282
Medallion	0	32	0	349	924S/944	0	0	0	133
Stealth	1,841	0	7,991	0	944	0	0	0	54
Summit (Import)	786	1,338	3,263	6,536	944S/Cabriolet	91	255	359	1,505
Summit (Domestic)	753	0	2,829	0	911 Carrera 2	244	399	1,038	1,704
Vista	709	440	2,954	2,601	911 Turbo	74	0	198	6
TC	97	295	678	1,873	911 Carrera 4	54	200	322	755
DAIHATSU	500	721	2,483	5,180	928S/GT	20	57	115	312
FERRARI	88	80	406	490	ROLLS-ROYCE	50	100	400	500
FORD Festiva	3,487	4,323	16,206	25,751	SAAB	1,750	1,932	12,350	10,450
HONDA	15,731	23,574	77,826	98,210	900	240	431	2,659	1,801
Civic/CRX (Import)	7,607	6,984	28,841	26,485	900S	489	578	3,428	2,108
Civic (Domestic)	16,559	21,196	51,923	80,762	900 Turbo	300	514	2,492	3,232
Accord (Import)	5,672	11,897	38,890	56,158	9000S	340	122	1,705	812
Accord (Domestic)	33,982	25,641	130,435	110,304	9000CD	214	191	1,187	1,468
Prelude	2,452	4,693	9,895	15,567	9000 Turbo	157	73	854	969
HYUNDAI	9,237	13,322	46,788	58,144	Tourist	10	23	34	56
Excel	4,733	10,254	26,193	44,897	STERLING	196	320	1,099	2,025
Sonata	1,792	3,068	8,730	13,247	SUBARU	4,892	6,549	28,402	39,671
Scoupe	2,712	0	11,845	0	Legacy (Import)	1,105	1,614	8,497	21,749
ISUZU	1,894	335	5,848	1,485	Legacy (Domestic)	3,598	579	17,743	1,441
I-Mark	1	129	64	827	Loyale	2,380	4,164	13,678	10,118
Impulse	385	206	1,639	638	XT/XT6	108	78	842	677
Stylus	1,508	0	3,345	0	Justy	499	556	3,385	7,127
INFINITI	2,783	2,115	11,481	7,471	SUZUKI	562	515	1,976	2,588
M30	506	546	2,239	2,349	TOYOTA	33,519	34,380	146,557	156,575
Q45	1,083	1,569	4,000	5,122	Corolla (Import)	5,776	7,167	30,065	38,472
G20	1,194	0	5,162	0	Corolla (Domestic)	12,960	15,866	46,332	58,986
JAGUAR	525	1,575	3,451	7,918	Paseo	1,251	0	1,251	0
XJ6	360	1,125	2,455	5,773	Tercel	10,222	9,040	44,658	42,826
XJ-S	165	450	996	2,145	Celica	8,251	8,066	31,176	35,889
LAMBORGHINI	13	13	65	65	Supra	330	634	1,547	3,352
LEXUS	5,204	5,182	21,751	23,390	Camry (Import)	5,669	6,485	28,315	26,338
ES250	1,739	1,860	7,916	7,611	Camry (Domestic)	20,733	22,023	74,078	89,743
LS400	3,465	3,242	13,835	15,779	Cressida	907	1,016	4,340	4,204
LOTUS	27	27	135	135	MR2	1,113	1,892	5,205	5,224
MASERATI	20	20	100	100	VOLKSWAGEN	9,875	14,343	48,650	53,729
MAZDA	14,685	15,929	63,191	68,661	Cabriolet	586	1,113	2,457	3,649
323	1,468	2,126	8,453	8,978	Corrado	529	562	2,808	2,089
Protege	4,964	4,736	19,313	18,309	Jetta	4,677	6,900	15,992	25,632
626 (Import)	1,243	1,163	8,334	13,365	Golf/GTI	1,560	1,564	5,918	5,928
626 (Domestic)	5,004	3,113	29,512	15,870	Passat	1,301	1,660	6,812	5,633
MX-6 (Import)	205	20	652	70	Quantum	1	3	2	25
MX-6 (Domestic)	2,161	2,195	14,561	14,928	Scirocco	0	1	0	9
Miata	4,316	4,103	17,140	16,449	Fox	1,221	2,540	6,661	10,764
929	1,645	2,321	6,170	6,879	VOLVO	8,734	9,885	32,244	40,321
RX-7	844	1,460	3,129	4,611	240 series	3,063	3,251	14,143	14,757
MERCEDES BENZ	5,644	6,585	23,613	30,615	700 series*	2,597	6,500	12,563	25,199
190	1,420	1,093	6,351	5,279	940 series*	1,020	0	5,412	0
300E 2.6/260E	507	157	1,840	920	Tourist	54	134	126	365
300	1,125	2,189	5,820	10,253	YUGO	116	688	1,004	3,192
300SE	426	618	1,393	2,844	IMPORT TOTAL	193,047	230,271	857,448	1,836,947
350SDL Turbo	160	66	559	66					
350SD	174	0	523	0					

*Estimate NOTE: Domestic cars not included in imported totals.

Compiled by Karen Detkowski

1991 NEW CAR DEALERS DIRECTORY

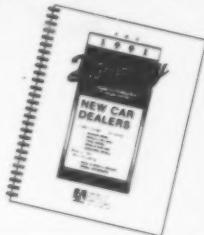
Compiled from Nationwide Yellow Pages & Telephone Verified!

27,682 Listings... Including:

- Company Name
- Address & Zip Code
- Phone Number
- Makes of Cars Sold
- Yellow Page Ad Size

NEW for 1991!

- Name of Owner or Manager
- Number of Employees



Title	Count	Price	Title	Count	Price
New Car Dealers (Total U.S.)	27,682	\$ 620	Ford	4,863	\$ 200
(Also available by region)			Honda	1,093	95
Eastern Region (East of the Mississippi)	17,431	565	Isuzu	673	95
Western Region (West of the Mississippi)	10,251	345	Jep	1,540	115
(Also available by make/brand sold)			Lincoln-Mercury	2,687	120
Buick	3,023	140	Mazda	933	95
Cadillac	1,719	115	Oldsmobile	3,270	140
Chevrolet	5,953	220	Pontiac	3,952	140
Chrysler-Plymouth	3,216	140	Subaru	847	95
Datsun-Nissan	1,263	95	Toyota	1,237	95
Dodge	2,891	120	Volkswagen	617	95

Economical Source For:

- Sales Leads
- Telemarketing
- Direct Mail

To order your copies, call
(402) 593-4600
or send to:



AMERICAN BUSINESS DIRECTORIES

— a division of American Business Information, Inc.

5711 South 86th Circle • P.O. Box 27347 • Omaha, Nebraska 68127
Phone (402) 593-4600 • FAX (402) 331-1505

#07121

75 Qualified People Responded
To This One-Inch Ad

SERVICE MANAGER

One of the Southwest's top Ford dealerships needs a quality service director. Strong leadership, planning skills, and a keen eye for OCP are required. Ford experience preferred. Excellent opportunity for the right individual. Qualified applicants please send resume and photo if possible to:

Automotive News Classifieds
313-446-6065

Where Your Best Lines Get Results

3 GM Lordstown workers face drug-dealing charges

LORDSTOWN, Ohio — An undercover narcotics investigation at the General Motors assembly complex here has resulted in the arrest of three workers.

Each pleaded innocent earlier this month during arraignment in Trumbull County Common Pleas Court.

Sheriff Richard Jakmas said the

charges stemmed from undercover work that involved GM security personnel and the Lordstown police. Jakmas said the drugs included marijuana and cocaine.

Plant spokesman Robert Jones confirmed that the three arrested are GM employees.

Lordstown Police Chief William

Catlin said the probe began with a call from plant administrators who suspected drug activity. Jakmas said evidence was obtained through recording devices, photography and observation of places "where the improper sale of drugs took place in the plant, on the premises."

— The Associated Press